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Paris, Monday, December 12, 1994

'No' From Delors Stuns French Left Deep Political Rifts Keep Him Out of Presidential Race

By Joseph Fitchett International Herald Tribane

PARIS - In an extraordinary act of political renunciation, Jacques Delors told the nation on Sunday night that he had decided against running for the presidency because he could not see effective, broad enough support to carry out the reforms that France needs.

Speaking in a choked voice and reading from a brief prepared statement, Mr. Delors, 69. said: "I could not put into effect the solutions I believe are necessary for France to meet its domestic problems of high unemployment and social tensions, as well as international challenges related to

. Mr. Delors's decision, after weeks of suspense, seemed to guarantee that conservatives will win the presidency, giving them control of almost all the political levers of power in France when President François Mitterrand, a Socialist, steps down after 14 years in office.

In the end, Mr. Delors's prime motive came down to a conviction that France, in a period of uncertain transition, could not afford political gridlock of the sort that now hampers initiative and change in so many capitals from Washington to Tokyo. By pulling out, Mr. Delors "must have felt the need to spare the country what he tition seems likely to be a muted struggle saw as a lesing battle among ourselves that would have hurt France's chances in the long term." according to one of his asso-

Mr. Delors put an end to weeks of suspense during an hourlong television interview. In recent weeks, questions about his possible candidacy had spawned a miniindustry in Delors-watching, with little re-

Acknowledging the disappointment for the French left and also among pro-European center-right factions. Mr. Delors said that "disappointment today is not as bad as regrets tomorrow."

The disappointment will be sharp. The Socialist Party, which saw an opportunity for an almost miraculous political comeback behind Mr. Delors, has little hope of performing credibly with any other candi-date, like former Prime Ministers Michel Rocard and Pierre Mauroy or former Culture Minister Jack Lang.

Now the race is likely to be dominated by Prime Minister Edouard Balladur, characterized by Mr. Delors as a "donothing," and Jacques Chirac, the Gaullist candidate, who, Mr. Delors says, "lies to the French people" by promising tax cuts and better welfare programs. Their compe-

aimed mainly at winning over sections of the conservative political parties' appara-

In Europe as a whole, particularly Germany, many leaders had pinned their hopes on seeing Mr. Delors run, win and become a French president determined to push for closer integration within the European Union.

His views, including his crusade for closer European unity, also forged sympathies between the Clinton administration and Mr. Delors, in contrast to his clashes with the Bush and Reagan administrations.

Chancellor Helmut Kohl, a Christian Democrat, and Mr. Delors, who describes himself as a Christian Socialist, became close political allies during Mr. Delors's 10 years as head of the European Commission in Brussels, a job he will leave in late

While Britain's Conservative governments have often tended to single out Mr. Delors as the incarnation of big bureaucracy and tax-and-spend tendencies in Brussels, Mr. Delors often supported moves toward deregulation and free competition in the European Union that often dis-

See DELORS, Page 6



By Tom Buerkle

International Herald Tribune

ESSEN. Germany - The European Union has taken a major step away from an "ever-closer union," the bloc's stated goal, to a looser form of political cooperation favored by Britain and, increasingly,

The shift was underscored by a provocative analysis presented to EU leaders by Jacques Delors, the outgoing president of the executive commission, as well as more mundane disputes at the Union's summit meeting here at which it embarked on the road to Eastern expansion.

The meeting offered the clearest glimpse yet of the Europe of the next century, bringing together the heads of government of the 12 existing members and of Austria, Finland and Sweden, which will join in January, with leaders of Poland, Hungary,

Even Vaclav Klaus, the Czech prime minister who has made the most insistent calls for early membership, expressed satisfaction with the strategy adopted by EU

NEWS ANALYSIS

leaders. It gives no timetable for entry but sets up a work program to prepare the East for the EU single market, steps up financial aid and admits Eastern states to reguiar EU meetings.

"I would not underestimate the symbolic importance of what happened today," Mr. Klaus said as the summit meeting ended on Saturday.

Mr. Delors did not underestimate the importance, either, during a lively brainstorming session with the 15 leaders over

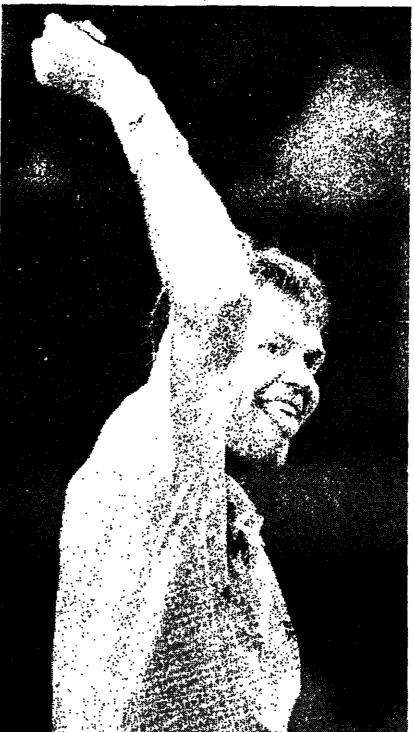
the Czech Republic, Slovakia, Romania dinner on Friday, according to accounts of

He began by talking of a Union of 27, embracing all the countries represented on Saturday; the three Baltic republics and Slovenia, which will win the same membership prospect shortly, plus Cyprus and

Mr. Delors said the applicants bring "enormous demands for resources." Without major reforms of EU policies, they would require a rough doubling of farm and development spending that accounts for two-thirds of the EU budget of 70 billion European currency units.

What's more, an extension of existing voting procedures would make it impossi ble for Germany, France, Britain and Italy

See EUROPE, Page 6



CHRISTMAS BONUS - Magnus Larsson of Sweden, ranked 19th in the world in men's tennis, upset the top-ranked Pete Sampras on Sunday to win the Grand Slam Cup in Munich — and \$1.5 million. Page 19.

With Old Arkansas Friends Like Clinton's, Who Needs Enemies?

By Ruth Marcus Washington Post Service

WASHINGTON - President Bill Clinton took care of one troublesome problem from Arkansas last week. Another returned to haunt him.

The president's week started in a meeting in Budapest on European security, continued at home where he signed the new world trade treaty and ended in Miami with a hemispheric summit meeting.

But all of that was overshadowed by two difficult events that resurrected Mr. Clinton's Arkansas past --

the dismissal on Friday of his outspoken surgeon general, Joycelyn Elders, for suggesting that masturbation "is part of something that perhaps should be taught" in schools, and the guilty plea on Tuesday of one of the president's closest friends, former Associate

Attorney General Webster L. Hubbeli. As the networks replayed footage of the president and his confidant on the golf course, Mr. Hubbell's guilty plea evoked memories of the fate of other Arkansans that the Clintons brought to Washington with them, chief among them the suicide in July 1993 of another Rose Law Firm partner, Vincent Foster,

who was then a deputy White House counsel. And new problems from old friends loomed for the president. There were reports that his former partner in the Whitewater real-estate venture, James B. McDougal, is about to be indicted by the Whitewater independent counsel, Kenneth W. Starr, and that a second independent counsel investigating Agriculture Secretary Mike Espy has broadened his inquiry to include an examination of Tyson Foods Inc., the Arkansas poultry

conglomerate with longstanding ties to Mr. Clinton.
"The thing with Webb is just one more a long line of tragedies that related to Arkansas friends and is in

many respects unprecedented in terms of bringing friends from home to Washington with you," said a former White House deputy chief of staff, Roy Neel. "This is all just very sad when you think about a bunch who came to town with such high hopes and good spirits. There was great pride in that adventure, and now you just get a sense of survival over there."

In dismissing Dr. Elders, Mr. Clinton took action that many - including some of his own advisers believed was long overdue for his political survival.

See CLINTON, Page 6

Kiosk

Kinkel May Go As Party Leader

GERA, Germany (Reuters) — Klaus Kinkel, the German foreign minister, is considering resigning as leader of the Free Democrats, junior partners in Chancellor Helmut Kohl's government, party sources said Sun-

Earlier, Mr. Kinkel was booed and jeered at a party congress, called in the wake of nine devastating regional election losses in a row and the party's plunge to 6.9 percent of the vote in October from 11 percent in 1990.

"It is largely due to our poor image that so many people have turned away from us," Mr. Kinkel said. "There was a lack of fidelity to our principles, an inability to convince and a lack of authority.

Ambush Kills Israeli

MARJAYOUN, Lebanon (AP) Guerrillas ambushed an Israeli military patrol in southern Lebanon on Sunday, killing an Israeli soldier and wounding seven. Security sources said four guerrillas were killed and three Lebanese civilians wounded.

The Shiite Muslim group Hezbol-lah, or Party of God, claimed responsibility for the roadside bomb attack.

The French-Italian maker of ATR planes called the U.S. ban on its commuter aircraft unjustified. Page 2.

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Book Review

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A BLACK FLAG - A Muslim fundamentalist woman in Amman taking part in a protest Sunday against the opening of an Israeli embassy. Page 7.

Signal of Philippine Terror As Blast Kills Air Passenger

By T. R. Reid Washington Past Service

TOKYO — The pilot of a Philippine Airlines plane with a hole blasted in its floor by an explosion made a one-hour detour to the nearest airport and brought his Boeing 747 jumbo jet in safely Sunday

One passenger was killed and 10 suffered mild injuries, but the remaining 296 people aboard emerged unscathed after Flight 434 from Manila and Cebu to Tokyo made an emergency landing at Naha,

The explosion blew a hole in the floor of the fuselage. Passengers told Japan's NHK-TV that they watched debris flying through the plane and feared another explosion during the rush to Naha.

Several bours after the blast, a man claiming to represent a radical Philippine Muslim guerrilla group called The Associated Press in Manila to claim responsibility for the bombing.

We are Abu Sayyaf Group," the caller said in broken English, "We explode one plane from Cebu.' He warned that the group planned to

target other Philippine aircraft. The Abu Sayyaf Group, which opposes peace talks between the Philippine government and the country's main Muslim rebel faction, the Moro National Liberation Front, has been blamed for numerous bombings in the southern Philippines and for the kidnapping of businessmen, priests, doctors and other people for ransom.

In June, Philippine marines launched a major offensive against the Abu Sayyaf Group's strongholds on Basilan after the rebels massacred 15 Christians and kidnapped a local Roman Catholic priest for

The military later overran the rebels' main base and said it killed at least 36 armed members of the group.

Fighting resumed last month when the military launched a new effort to capture the group's leader, Abdurajak Abubakar Janjalani, an Islamic radical who formerly studied in Libya.

His fighters are believed to number only in the hundreds, but they have shown a capacity to cause havoc. Bombings of churches, shopping centers and other targets attributed to the group

have killed or injured scores of people. If the group is responsible for the bombing, however, it would mark the first time that it has targeted a Philippine airliner and courted a major international catas-

The dead passenger was identified as See TERROR, Page 6

Yeltsin Sends **Troops Into** Breakaway Rebel Region

3 Armored Columns Pour Into Chechnya but Stop Short of Capital

By Lee Hockstader

Washington Post Service MOSCOW - In its largest offensive military action in 15 years, Russia on Sunday sent troops and armor pouring into the rebel southern region of Chechnya, which has resisted Moscow's rule since it de-clared independence in 1991.

Thousands of troops and hundreds of armored vehicles and tanks swept into the breakaway republic in three columns from the east, west and northwest, encountering light resistance and inflicting some casualties. The troops had stopped short of storming the Chechen capital of Grozny, 1,600 kilometers (1,000 miles) south of Moscow, where several-thousand lightly armed volunteers have vowed to fight the

In a statement reported Sunday night by Russia's Itar-Tass press agency, President Boris N. Yeltsin said the troops had moved

sia's invasion of Chechnya has a touch of the old Soviet style. Page 6.

in "to help find a political solution and to defend the people" of Chechnya. He said he remained hopeful that peace talks planned for Monday could resolve the crisis without further bloodshed.

Speaking at a news conference in Miami, President Bill Clinton expressed little alarm over the situation, saying that he had counseled the Russian leadership to use the minimum force necessary.

"It is an internal Russian affair," Mr. Clinton said, "We hope that order can be restored with a minimum of violence and bloodshed.

400,000 people was quiet. It was not immediately clear whether the Russians had merely paused pending the talks and to give civilians a chance to flee the city ahead of a major assault, or planned a long siege to wear down the Crachen troops and

force them to negotiate. The Chechen president, Dzhokar Dudayev, who has defied the Kremlin at every turn, declared that war had begun. But the Chechen economics minister, Taimaz Abubakarov, said he would attend talks with Russia on Monday as head of the

Chechen government delegation.
"We will defend ourselves," declared Mr. Dudayev, 50, a former Soviet Air Force general who has staked his career on confrontation with Moscow.

The Russian thrust Sunday was the most extensive hostile act by Moscow's troops since the invasion of Afghanistan in December 1979. It marked a decisive step by Mr. Yeltsin, whose patience has worn thin through months of escalating tensions between Moscow and Grozny.
Unlike most of the ethnic and national

conflicts that have erupted along Russia's southern flank since communism's col-lapse, the Chechen crisis is unfolding on what Russia — and the world — recognizes as Russian territory. That has raised the stakes of using force

against Grozny, a move that could lead to an open split between Mr. Yeltsin and most of his liberal allies, who strongly oppose military intervention.

Grigori Yavlinsky, head of a major lib-eral bloc in the Russian Parliament, said: "We're against our children being killed. We're against democracy being established using these methods." Chechnya, mostly Muslim, is a vital re-

gional transport hub and important oil refining center. It has been a thorn in Mr. Yeltsin's side since it declared independence from Moscow three years ago. Alarmed by the precedent, Mr. Yeltsin sent troops to Grozny then but withdrew them in the face of opposition from the Chechens and the Russian Parliament.

Since then, efforts to reach an accommodation between Moscow and Grozny have been fruitless. Russian officials have meanwhile stepped up allegations that Chechnya, an enclave of 1 million people, is providing a safe haven for terrorists, drug traffickers and arms dealers.

Earlier this year, Moscow began a thinly veiled policy of helping the armed Che-chen opposition seeking to topple Mr. Dudayev. That opposition, together with Russian troops recruited by the KGB's successor agency, launched a poorly

See RUSSIA, Page 6

Intrigued by New South Africa, American Blacks Pack Their Bags

By Paul Taylor

JOHANNESBURG - As Zambia McLeod, a Georgetown University pre-med student, was packing to visit her family here for the Christmas holidays, several of her black friends in the United States

stuffed her suitcase full of résumés. "They kept saying: "We can't believe it. Your parents actually live in South Africa. How fantastic,' " she said. "Some want to move here."

Once the symbol to American blacks of all things evil, South Africa has become almost a mecca for them now that it has transformed itself from a white racist state to a black-led democracy.

"A lot of African Americans seem to have the idea that they can come here now and find that 40 acres for lost in the United States.

and a mule they never did get at home," said Miss McLeod's father, Mackie McLeod, who directs the Lotus Trust, the American computer company's social

responsibility program in South Africa.

The McLeods are in the vanguard of a small but growing number of African Americans who have settled here since the political transition that culminated in April with Nelson Mandela's election as

cials, educators, entrepreneurs and consultants. They number in the low hundreds, according to Mr. McLeod's best guess. Some have come to do good in Mr. Mandela's South Africa, some to do well, some to fill a personal void and some to win battles here that they have given up

They are corporate executives, development offi-

Almost all have found the journey to be bracing. But some also have found it disorienting, as they discover how similar histories of oppression mask differences of outlook among the blacks of the two

"When a black American comes to South Africa, there's this realization that here is this marvelously sophisticated country, with its impressive infrastructure, that is coming under black control," said Francis Kornegay Jr., director of the African-American Institute's South Africa program. "That's powerful coming from a society where blacks — no matter how success-

ful - feel that control is tenuous, if it exists at all." "The idea of flying in the business-class section of an airplane back to the continent where your ancestors had been dragged away in the hull of a ship that's pretty amazing stuff," Mr. McLeod said.

But as he and others acknowledge, this is also a journey easy to romanticize and fraught with potential disappointment.

"It's the old cliche - African American comes to Africa and realizes just how American he is." said Mr. Kornegay, a scholar who has visited South Africa on and off for two decades.

"Many of the American blacks who come are going to be in for a rude awakening," said Ron Carter, dean of students at the University of Witwatersrand, who until 1989 was a dean at Boston University. "You can very easily be seen as a carpetbagger, and your black

skin won't help you." "If you think you can come here, enjoy the comfort of living in Sandton," he said, referring to an exclu-

See SETTLERS, Page 6

The UN, Staying in Bosnia as a 'Witness,' Leaves Its 'Fig Leaf' Mission Intact

By John Pomfret Washington Post Service

VELIKA KLADUSA, Bosnia - The road to this besieged Muslim farm town in northwestern Bosnia is lined with Serbian artillery batteries and the best intentions of the international community.

Trembling with the wallop of tanks, mortars and 155mm howitzers, the road

NEWS ANALYSIS

twists by a base of the United Nations Protection Force, where Polish soldiers peer out from under thin blue helmets at passing Serbian weaponry. Few worry about safety. No shells fall on this side of the line because the Muslims lack big guns.

"We're just listening to people die," said an officer as a barrage of Serbian tank and artillery shells shattered a few moments of calm, boring into the Muslim-held town on who'd be here to witness?"

The biggest peacekeeping mission in history hobbled to the brink of collapse last week, peered over the edge and stopped.

Talk of pulling out the 23,000 UN peacekeepers from Bosnia faded quickly amid fears that the effort to cage the war within the boundaries of former Yugoslavia would become the first casualty of the withdrawal. Added to that were European fears that a widening war would spark the first East-West military confrontation in the post-Cold War era.

In the end, the Serbs, the United Nations, Britain, France, the United States, Russia and the Muslims seemed petrified by the unknown and resigned themselves to the imperfections of the UN peacekeep-

Few called for a robust reconfiguration of the UN operation into a force capable more futile attempts to patch together an of imposir 3 a solution, as allied armies did imperfect peace plan that roughly divides

the far side of the hills. "But if we left, in 1991 to save the Kurds in northern Iraq. Some American politicians called for muscular NATO bombing raids on the Serbs and a unilateral lifting of the arms embargo on Bosnia's Muslims. But even

U.S. military officers scoffed at those ideas, arguing that they would only swell Bosnia's rivers of blood and leave the Muslims more battered than before. France and Britain also lambasted that

plan, cracking the widest breach ever in the bedrock of U.S. security since 1949, the North Atlantic Treaty Organization. The United Nations' role as a "fig leaf,"

in the words of Kofi Annan, UN undersecretary-general for peacekeeping, had won. But for Enrope's deadliest conflagration since World War II, the implications of the fig leaf are grim: continued low-level conflict, widespread suffering for several million people already exhausted by war and

Bosnia between Serbs and a Muslim-Croatian federation.

And even without a UN withdrawal, the prospects for a wider war remain high. Already the fighting around Velika Kladusa and Bihac town 24 kilometers (15 miles) to the south has become a proxy war between Croatia and rebel Croatian Serbs, who occupy 27 percent of that country.

There are also broader ramifications of this arrangement. By refusing bolder action and clutching to its tenets of impartiality, the UN mission could be condemuing the viability of a multi-ethnic state and the potential for nurturing moderate strains of Islam in the heart of Europe. Ejup Ganic, the vice president of Bos-

nia's mostly Muslim government, has warned of "a Gaza Strip in Europe's backyard" with all its accoutrements: fundamentalism, terrorism and poverty. Some

Western officials worry he could be right. The basic strategy of the UN mission

appears to be to to stay long enough to pick up the pieces after the war is over. And by their presence as a witness, like the Polish soldier on the road to Velika Kladusa, they hope to "attenuate and blunt the sharpness of the conflict," said Yasushi Akashi, the Japanese diplomat who leads

the UN operation in former Yugoslavia. But by embracing the fig leaf option, the key member states in the United Nations have ceded control of the pace of conflict to the Serbs.

As time passes, Serbs in Croatia, Bosnia and Yugoslavia are approaching their dream of "Greater Serbia," further complicating the search for peace. Such a development delies the insistence of the current negotiators, the United States, Russia, Britain, Germany and France, that international borders cannot be violated to end the Balkan wars.

By week's end, the United Nations, and Britain and France, had voiced a renewed

commitment to staying in Bosnia, at least through the winter, even though there had been no change to the political or military topography of the war.

Serbs minutely relaxed their pressure on the United Nations. They released 187 peacekeepers held for two weeks and took replacement hostages. A few humanitarian aid convoys were allowed through to isolated Muslim enclaves - Bihac, Gorazde Srebrenica - but Serbs continued to block the resumption of the Sarajevo air bridge and deliveries of fuel to the UN mission

Perhaps concerned about the prospect of exchanging lightly armed UN soldiers for tough NATO troops deployed for a UN withdrawal, the Bosnian Serbian lead. er, Radovan Karadzic, declared that a UNpullout would be a humanitarian disaster for both Serbs and Muslims.

"If we are approaching a peace settled ment," he said, "then we would need the UN around, and they should not leave."

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ATR Maker Protests U.S. Flying Ban

Compiled by Our Staff From Dispatches

TOULOUSE, France - The French-Italian maker of ATR planes called the U.S. government ban on its turboprop commuter aircraft unjustified and said it would conduct tests in California to prove it.

Avion de Transport Régional said Saturday that it "shares the FAA's worries" but suggested that the Federal Aviation Administration overreacted by grounding ATR-72 and ATR-42 planes in icy

The FAA announced the ban on flying the ATR-42 and ATR-72 planes in icing test results from the manufacturer.

In Calgary, Alberta, Canadian Regional Airlines and Inter Canadien said in a statement that the ATR-42 planes not only were barred from flying in icy conditions but also were being grounded "in the interest of passenger safety and

The order will be in effect until further

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Herald MERATIONAL Eribune

The FAA suspects icing caused the Oct. 31 crash in Roselawn, Indiana, of an American Eagle ATR-72. A total of 68 people were killed.

The National Transportation Safety Board, which investigates accidents, has not ruled on a cause of that accident, but it urged that the ATR-72 and ATR-42 not be flown in icing conditions.

ATR said the planes met FAA and French standards. The wind tunnel tests conducted by the company "furnish no basis that can justify the measures taken by the FAA," it said.

We're going to do everything we can to get the Federal Aviation Administration to reverse its verdict me AIK chairman, Henry-Paul Puel, said at a news conference. "We're not going to roll over that easily."

Mr. Puel said "high risk" tests would be carried out at Edwards Air Force Base

in California in the next few days, simulating atmospheric conditions that pre-ceded the Indiana crash.

The tests will involve a tanker dropping water on an ATR-42, Mr. Puel said.

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"Luctory with the French Touch"

More than 290 flights were canceled in Chicago alone within hours of the FAA order on Friday, which could affect as many as 15 percent of the seats available on regional air carriers. Some airlines plan to shift the affected planes to warmer parts of the United States.

Nine U.S. airlines fly 111 of the 40-seat ATR-42s and 42 of the 66-seat ATR-72s. A total of 62 companies worldwide fly 269 ATR-42s and 129

American Eagle grounded all 41 ATR commuter airplanes at Chicago's airport. American Eagle decided it was better to ground all flights than to inconvenience customers daily with last-minute decisions about cancellations, a company spokeswoman said.

American Eagle has the nation's largest ATR fleet, and O'Hare is its Midwest hub, where only ATRs are used by the company. American Eagle said it would try to get some of the passengers on flights, bus some commuters to nearby destinations or refund their money.

(AP, AFP)

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Serbs Hijack UN Fuel And Halt Aid Convoys

SARAJEVO, Bosnia-Herzegovina — Bosnian Serbs hiacked a United Nations fuel convoy and on Sunday banned all heavy UN vehicles from their territory, halting many humanitarian aid convoys, officials said.

"This is an outrageously unacceptable behavior." said Lieutenant Colonel Jan-Dirk von Merveldt, a UN spokesman in Saraievo.

But there appeared little the United Nations could do in the face of continued Bosnian Serbian obstructions.

The Bosnian Serbs refused to grant clearance Sunday to a plane carrying the UN commander in Bosnia, Lieutenant General Michael Rose, to land at Sarajevo airport. General Rose, returning from a failed mission to visit his trapped sol-diers in northwestern Bihac — a trip blocked by Serbs in neighboring Croatia - landed without the clearance, a UN spokes-

man said. The Sarajevo airport has been closed for weeks since Bosnian Serbs positioned surface-to-air missiles in the air corridor approaching the city. That has forced a shutdown in the humanitarian airlift, which supplies 80 percent of the needs of the Bosnian capital's 300,000

residents. A three-truck Danish fuel convoy was hijacked in Bosnian Serbian territory near the airport Saturday night after gun-men blocked the front and rear of the convoy, Colonel von

Merveldt said. With one armed Serb in each vehicle, the convoy was forced to go to a Serb-held part of Sarajevo, where the peacekeepers were questioned. Serbs then agreed to release the troops, but two Danish officers refused to leave. They were believed to be somewhere in the Serb-held part of the city, Colonel von Merveldt said.

tion, specifically Commerce Secretary Ronald H. Brown

said, U.S. delegations have been

"hawking trade and investment

"The administration's posi-

deals while relegating human rights to the ineffectual realm of

tion on India exemplified the shift," Human Rights Watch

said. "Its refreshing but short-

by the eager promotion of an

discussion of human rights was

attend a meeting of the Asia-Pacific Economic Cooperation

forum, Mr. Brown played down

questions of Indonesian hu-

man-rights abuses and what

American labor leaders have

called unfair practices in the

The Clinton administration

has also backed away from ear-

ly promises to be tough on Chi-

na, even publicly undercutting

France, driven by geopoliti-

The report also surveys the

jects ranging from arms control

or prison conditions to wom-

workplace.

In Indonesia last month to

private diplomacy."

Under Mr. Brown, the report

Rethink Neutrality, Rights Unit Tells UN

By Barbara Crossette New York Times Service

NEW YORK - A leading human-rights organization is calling on the United Nations to reconsider its policy of neutrality and to act more forcefully against those who carry out atrocities in the new rash of small conflicts around the

"Faced with genocide and mass slaughter, neutrality lived public criticism of Indian should not be the ultimate value," the group, Human Rights Watch, said in a report. It calls the United Nations "unique in its capacity to legitimize force in the most extreme circumstance to uphold human

The international survey, "Human Rights Watch World Report 1995," also accuses major industrial nations of following policies that subjugate, and sometimes obliterate, humanrights concerns in the name of trade. It takes issue with the argument that economic growth leads to improvements in civil and human rights and the

spread of democracy.

"Indeed, even if economic development could be correlatstatus for Beijing. ed in the long term with im-proved respect for human rights not alone in adopting "com-mercial diplomacy" as a policy. - an unproved proposition - that would offer little solace to "Germany, France, Canada and Australia all vied for Chithose who are imprisoned or tortured today," said the report. Human Rights Watch, which

nese commercial contracts, with this year expanded its organizawaning interest in Chinese retion to new bases in Europe and pression," the report says. Central Asia and also opened an office to scrutinize the Unitcal designs and commercial moed Nations, is sharp in its criti-cism of the Clinton administra-

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Journalist a Spy, Ex-KGB Officer Says LONDON (Reuters) — A former KGB officer considered a British journalist who resigned last week over spy allegations a star informant and paid him more than £10,000, The Sunday.

WORLD BRIEFS

Times reported. The newspaper quoted Oleg Gordievsky, who once headed the Soviet Union's spy network in Britain, as saying that he considered the journalist, Richard Gott, to be a genuine agent.

Mr. Gott, a former Latin America correspondent and literary editor with The Guardian newspaper, has denied allegations that he accepted cash payments from a Soviet agent. He admitted the Soviet Union paid for him to travel to Vienna, Athens and Nicosia to "meet their man" in the 1960s. He resigned from The Guardian last week, saying he had acted foolishly but had not been a spy.

Full Punishment Set for China Fire

BELIING (Reuters) - Three days after at least 311 children died in China's worst fire in 15 years, Wang Lequan, acting Communist Party secretary of the Xinjiang region, vowed to punish those responsible with "the full fury of the law," the China News Agency said Sunday.

The fire raged through a hall Thursday when it was packed with more than 800 people, including 500 schoolchildren. When frightened children tried to escape, they were ordered to remain sitting and maintain discipline, an official said.

Most of the victims were sitting in front rows. They were engulfed in flames when a ball of fire erupted from the curtains and exploded into the auditorium, witnesses said. All the doors except one were padiocked, and iron bars blocked the windows. Preliminary investigations showed the inferno was sparked by an electrical short circuit in the roof.

Italian Neofascists Denounce Fini

BOLOGNA, Italy (AP) - Neofascist leaders denounced Gianfranco Fini as a traitor to the movement Sunday, as the steering committee of the Italian Social Movement, or MSI, in effect committee of the Italian Social Movement, or MSI, in effect completed the break Mr. Fini sought from the group. But it could also pose a challenge to Mr. Fini's National Alliance party, part of the governing coalition, by drawing away its far-right ranks.

The movement's leaders said they would seek court permission to retain the group's name and its flame-shaped symbol after Mr. Fini expects it from the Meticael Alliance Mr.

Fini severs it from the National Alliance. Mr. Fini, seeking to distance his rightist party from its hard-line roots, plans to hold meeting next month to banish the MSI and strike its flame symbol from the National Alliance emblem.

The movement's leaders approved a statement "marking the demise of Fini from the membership and as national secretary of the MSI for resounding and chronic violations of the rules of the party," the ANSA press agency reported.

Bangladesh Judge's Home Bombed

DHAKA, Bangladesh (AP) - Three bombs exploded Sunday in the home of a judge who ordered opposition lawmakers to end their nine-month boycott of Parliament. The explosions damaged a car and wounded its driver, the police said.

'emerging market' where public The bombs — tin pots of explosives and glass fragments — were tossed inside the judge's home even before he left the courtroom. No one took responsibility for the attack, but the judge, Kazi

Monwaruddin, said the ruling was "the apparent reason."

He and another High Court judge ruled Sunday that the boycott, aimed at forcing out Prime Minister Khalida Zia, was illegal. The court did not say how it would enforce its ruling. Opposition lawmakers accuse Begum Zia's government of vote fraud, corruption and inefficiency. They want her to step down and call general elections, which are not scheduled until 1996.

TRAVEL UPDATE

A Rocky Road for Travelers in Spain

its assistant secretary of state for human rights during talks about renewing a favored trade MADRID (AP) - Surface and air travel in Spain appeared. headed for a rough week Monday, with railroad, airline and subway strikes scheduled. A nationwide strike will force a cancel-lation of all international and long-distance train service, while-Human Rights Watch said in its report that Washington was maintenance and service unions plan a simultaneous 24-hour stoppage against Iberia airlines.

Iberia pilots, who turned down the management plan to keep the cash-strapped national carrier airborne, approved their own-plan on Sunday for the airline's future and called on service and ground crews to reject management proposals.

Transport Ministry officials said Sunday they would concentrate on maintaining commuter service on RENFE, the state. railroad system, through an agreement with striking unions.

tives, led the charge to embrace traces, led the charge to embrace traces genocidal regime," it (\$656 million) terminal Sunday that should increase the number says. "The European Union, of passengers it can handle from 6 million to more than 20 million. having concluded a cooperation a year.

(AP). agreement with India in 1993

conditioned on respect for hu-This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays: man rights, lapsed into silence on the atrocities in Kashmir in MONDAY: Kenya, Mauritania, Mexico, Thailand, Venezuela. situations in individual countries, grouped regionally. In addition, it looks at special pro-

TUESDAY: Maita. FRIDAY: Bahrain, Bangladesh, Kazakhstan, South Africa.

SATURDAY: Bhutan, Sri Lanka

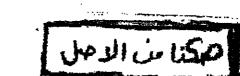
Sources: J.P. Morgan, Remers.

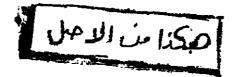
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THE AMERICAS /

*Ex-Intelligence Chief Urges a Sharply Trimmed Agency

By Walter Pincus Washington Post Service

WASHINGTON - Robert M. Gates, a former director of Central Intelligence, has drawn up a far-reaching proposal to from the Cold War. George Bush — developed his proposals in the course of making speeches to audiences continuously and response to a continuously and response t up a far-reaching proposal to crease a dramatically smaller, more focused spy agency by transferring some of its func-tions to the Pentagon and other agencies, and the plan has attracted the attention of senior administration officials.

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"The idea," Mr. Gates said in an interview, "is to have a leaner, more focused and

tougher CIA and force the Penvice on the security council staff
ring to that four-star officer and
under three presidents — Gerthe Pentagon all of the CIA's
individual military services
gence components of the sepathe intelligence community ald R. Ford, Jimmy Carter and

At the White House, where the National Security Council is preparing its own plans for intelligence in the coming year, Mr. Gates's ideas were described by one senior official as "interesting" and "reflective of some of our thinking."

Mr. Gates, whose 20-year agency career also included ser-

small Washington audience, in-

tration experts. Among the more controver-

cluding legislators and adminis-

responsibility for analysis of foreign weapons and military force levels. "This would end the competitive military analysis between the services and CIA," Mr. Gates said.

The only exception would be to have the CIA continue collection and analysis involving nuclear, chemical and biological weapons of mass destruc-

would also be given responsibility for paramilitary operations around the world, most of which in the past have been carried out as covert activities of the CIA.

In return for these new responsibilities, Mr. Gates said, the Defense Department would have to cut back the "threetiered duplication" of analysis given either to the National Resial elements in his proposal is tion, so that there would contin- and research of threats, weap- connaissance Organization or

rate military services and their

Mr. Gates would also take the CIA's science and technology directorate out of managing imagery satellites, the ones that take photos, radar or infrared images from space.

That responsibility would be the creation of a director of milue to be competing analyses to one and force numbers that to a new National Imagery itary intelligence and transfermake certain nothing is missed. now are done by the Defense Agency, based in the Pentagon.

* POLITICAL NOTES *

Polishing an Image, and Stepping on Toes

WASHINGTON - House Republicans have hurried to show that they are different not only from the dethroned Democrats, but also from the popular conception of Republicans as a homogenous party of uncaring, rich white men.

The party has elevated more women to important positions than have the Democrats, has tried to reach out to black liberal Democrats, and moved to open up debate on the House floor, which had been tightly controlled by the Demo-

cratic leadership in earlier Congresses.

The House speaker-to-be, Newt Gingrich of Georgia, has sought to soften his confrontational image, changing his rhetoric on welfare reform, pushing some family-oriented policies for legislators and backing off an austerity measure

to deny dismissed House employees accrued vacation pay. Some of the changes have caused problems, both for the party and for Mr. Gingrich personally. For example, after Mr. Gingrich opened discussions with Democrats in the Congressional Black Caucus — in hopes of reaching compromises with them on the conservative goal of a capital gains tax cut — he infuriated them by supporting a move to take away the offices and budgets of 28 caucuses, including those for black. Hispanic and female lawmakers.

Clinton Foreign Policy: Some Optimism

WASHINGTON - While Republican legislators map plans to attack President Bill Clinton's foreign policy, he can take heart that his worst nightmare is not being realized: Jesse Helms of North Carolina, the new chairman of the Senate Foreign Relations Committee, will not single-handedly deter-

mine his party's agenda.

Instead, the mix will include several moderate voices, including Senator Bob Dole of Kansas, the incoming majority leader, Senator John S. McCain 3d of Arizona, a leading Republican strategist on national security matters, and Beniamin A. Gilman of New York, the new chairman of the House Foreign Affairs Committee.

These and other Republicans are already bickering among themselves, a development that could enable Mr. Clinton to gain their backing in foreign policy disputes. He may even be able to pick off enough Republicans to prevent Congress from blocking some of his diplomatic initiatives. (N)T

Clintion Shoots Down Gingrich Proposal

WASHINGTON - President Bill Clinton has opened fire at Representative Gingrich, saying in his weekly radio address that those who advocated putting children in orphanages as an alternative to welfare were "dead wrong."

The president has announced plans to meet with Republicans and Democrats from around the country next month to share ideas about overhauling the welfare system. But aides said that although Mr. Clinton remained open to compro-mising with the Republicans, he believed it was important to draw the line against a proposal that has proved controversial even among Republicans,

Mr. Gingrich has proposed that money saved by denying welfare benefits to young mothers be used to provide services to children, including promoting adoptions and establishing orphanages or group homes.

Quote/Unquote

Harvey Fineberg, dean of the Harvard School of Public Health, after the Surgeon-General Joycelyn Elders was forced to resign for saying that masturbation should perhaps be taught in public schools: "Dr. Elders's great virtue was her willingness to speak out as she saw the needs and the problems. I think it was also her undoing."

Americas Summit Splits Over Cuba

By William Booth

The same Vashington Post Service MIAMI - Although President Bill Clinton wanted to in the region have been elected keep Cuba off the agenda at the by popular civilian vote. Summit of the Americas, more than 50,000 flag-waving, coffincarrying Cuban exiles and their supporters who marched into the Orange Bowl stadium had

> The issue of Cuba is among the most divisive for Latin American leaders, who are split on bashing President Fidel Castro or trying to bring his country into the hemispheric family with freer trade and fuller relations as an enticement.

For years, many Latin Americans have applauded Mr. Castro for needling the Yankee imperialists. But with the end of the Cold War and the collapse of Cuba's protector, the Soviet Union, Cuba increasingly is seen in the region as an anachronistic failure.

In one of the largest demonstrations in years, tens of thousands of Cuban immigrants and their children poured into the Orange Bowl on Saturday, where they sang the island's national anthem and chanted for its liberation from Communist

The Clinton administration wanted to keep the talks at the summit focused on free trade, but the Cuban exiles and their political allies have kept pushing the administration and the demand that Mr. Castro, the year-old regime.

only leader in the hemisphere not invited to Miami, hold free elections. The other 34 leaders

President Carlos Saul Menem of Argentine could probably be elected mayor here now, after breaking ranks with other Latin American leaders by pledging to push for democratization on the island.

On Saturday, in private meetings with the 34 leaders of the hemisphere, Mr. Menem again raised the issue of Cuba and, according to Argentine sources, now has the support of at least several Central American lead-

Several Caribbean leaders say they want to transform Cuba not by attacking Mr. Castro but by engaging him and pressing the Clinton administration to resume relations with the island.

"If the United States can establish diplomatic ties with North Korea and Vietnam, we can see no basis why diplomatic relations cannot exist with Cuba," Prime Minister P. J. Patterson of Jamaica said recently.

Yet even Mr. Menem advocates something the Miami Cubans are dead set against: dia-logue with Mr. Castro. The Cuban exiles believe that by continuing to isolate and denounce the Cuban leader they win American dignitaries to will eventually topple his 35-



Cuban women in symbolic chains and wearing "P" for "prisoner" shirts demonstrating against Fidel Castro in Miami.

Away From Politics

 A convict was put to death by lethal injection in Huntsville, Texas, for a 1984 barroom killing of which he professed innocence. Raymond Kinnamon, 53, made a 35-minute final statement in which he condemned the death penalty.

• A 19-year-old shot and wounded his former girlfriend and another teenager in Pelham, Georgia, just before a Christmas parade, then killed himself with a bullet in his head. Charles Earnest Swilley fired

a hunting rifle with a scope from behind a hedge about 25 yards from the parade staging area where about 200 people had gathered, a police investigator said.

• A jury awarded more than \$1.8 million to a woman who claimed the funk singer Rick James and his companion beat her and held her hostage in a hotel room in Hollywood, California. The jury is to meet Monday to consider whether Mr. James should pay punitive damages to Mary Sauger, her lawyer said. Mr. James, 45, was convicted of assaulting Miss Sauger and was sentenced in Janu-

ary to five years and four months in prison. His companion, Tanya Anne Hijazi, 23, was sentenced to four years in

 Two survivors of a Ukrainian cargo ship that sank Friday in a North Atlantic storm were found and rescued by a helicopter and a merchant vessel on Saturday as a wide sea-and-air search continued 1,200 miles off the New Jersey coast for 29 other members of the ship's company. The Coast Guard reported late Saturday that merchant ships in the search area had recovered the bodies of seven of the missing men.



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INTERNATIONAL HERALD TRIBUNE, MONDAY, DECEMBER 12, 1994 From Fiendish Predator to Furry Victim: Wolf Is Poised for a Return to West

By Timothy Egan
New York Times Service
YELLOWSTONE NA-TIONAL PARK, Wyoming -After more than a century of policy flip-flops that saw the gray wolf go from the most loathsome animal in America to the celebrated subject of perhaps the most extensive environmental impact statement ever done, the mythic predator is a single court hearing away from a formal return to the

American West. That it has taken two decades, 120 public hearings, directives from six presidents, dozof congressional committees and \$12 million worth of studies to get to a point where wolves could soon run through Yellowstone National Park tells much about the heavy load of significance that

has been saddled to the wolf. What federal biologists hope to do in early January is place a

But even as Yellowstone park rangers put the final touches on one-acre (half-hectare) pens intended to acclimate the wolves to the park's Lamar Valley, cattle and sheep ranchers are balking at the historic turnabout in attitudes and policy.

The ranchers, the biggest beneficiaries of the campaign 70 years ago to eliminate the wolves from the West, have filed a lawsuit that threatens to

hold up the project. On Dec. 21, a federal judge in Wyoming will decide whether to issue a preliminary injunc-

For those most passionate about bringing the wolf back, the project is viewed as a grand restorative deed, balancing a zealous act of one era with a corrective act of another.

It is absurd, they argue, that wolves still roam free not far predator with a lust for fresh from the urban masses of meat back into a part of the Rome, but yet cannot be alcountry that is overrun with lowed inside North America's

Without wolves, the world's about 150 wolves in each area. first national park "is a heart without a heartbeat," in the words of Renee Askins, founder with a 1,500-pound-per-squareof the Wolf Fund, based in Wyoming and devoted to returning the animal to this area.

Under the plan, 30 wolves in Canada, tagged with radio col-lars so biologists can track them, are to be brought into Yellowstone and the wilderness their livelihood from the land,"

But to ranchers, one person's inch bite. They see an America where less than 2 percent of the population works the land and where beef prices continue to fall with declining demand.

"When wolves were a fact of the area, most people made

volved in agriculture, and the other 98 plus percent have been indoctrinated by a Disney men-

tality about the wolf." Studies in Minnesota, where near Yellowstone. nearly 1,700 wolves live among dairy farms, and in northwest- real issue, what exactly has ern Montana, where a few made wolf restoration such a wolves have trickled down from complicated, divisive and ex-Canada, show that very few domestic animals are killed by

moose, elk and deer — staples of a wolf's diet.

But even as Yellowstone park

largest temperate zone ecosystem, the greater Yellowstone
area. Over five years, the plan is
to establish a recordation of
the West is a symsaid Bill Wheeler, a third-generis less than one loss per 10,000 bolic stand for control. Wolves,
is less than one loss per 10,000 bolic stand for control. Wolves,
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is less than one loss per 10,000 bolic stand for control.

Federal biologists say fewer

Ranchers say keeping the

than 20 cattle and 110 sheep a being pushed aside now to alyear would be lost to wolves low a bit of the wild back into the equation. With restoration, they fear, will come a host of But if livestock loss is not the they fear, will come a host of regulations.

losing the spin battle.

A few years ago, schoolchil- vored a return of the wolf.

The Miller of the same of the dren in Bighorn, Wyoming a tiny ranching town on the front range of the Rocky Mountains, percent of the population is in-Some farmers think they are surprise of their parents, none of the middle-school children wanted to take the side against

game department in Wyoming, Now, even in their own communities, ranchers seem to be state in the West, found that a majority of those surveyed fa-

House Republicans Give Newcomers Choice Committee Posts During the transition, Reublicans have taken great care These are skilled, able people will lose committee seats and rules seven must lose their seats.

By Guy Gugliotta

men coveted committee assign-structure, a major step in the

lose nearly a dozen sitting mem-

bers from key panels. The incoming majority lead-WASHINGTON - House er, Richard K. Armey of Texas, ments in the incoming Con- Republicans' takeover of the gress, but they have outraged House for the first time in 40 personals, who are slated to years.

their 73-member freshman con-Republicans have handed large numbers of Republican freshtingent, and Mr. Armey gave mittee and three on Ways and Means, the powerful panels charged with spending money and raising it. "If you're able enough to get

publicans have taken great care

to tout the accomplishments of

the job, you're probably able enough to do the job," said an ebullient Mr. Armey, "And when you say 'a bunch of freshmen, this is not like a bunch of

AMERICAN

TOPICS

New Jersey Makes Its Lawyers

This fall, New Jersey became the 31st

of the 50 states to open its disciplinary

proceedings against lawyers. Like many

states, New Jersey changed its rule after

a 1992 American Bar Association report

urged openness, not only to deter other

lawyers from becoming wayward but

also to let consumers know whether a

lawyer has been disciplined or faces

ances, they say, are filed by vengeful clients dissatisfied with the outcome of

their cases. Eventually, the overwhelm-

ing majority of those grievances will be

dismissed, they say, but by then the pub-

licity will have irreparably damaged the

Historically, a complaint against a

lawyer was kept secret until a punish-ment was decreed, and that could take

lawyer's reputation.

Many lawyers disagree. Most griev-

Face the Music in the Open

grounds, good professional accustomed to This is particutraining."

damned by the Republicans for that members are either en- ic. tyrannizing the minority during joined or discouraged from their long-running House dynasty, Democrats are scrambling to fill a sharply reduced

number of committee slots. With the Republicans' determination to shrink the overall size of committees, conformity

with good professional back-seniority they have grown so At Ways and Means, Demolarly true of Appropriations bents. Mr. Armey's enthusiasm en- and Ways and Means, both of which are "exclusive" commit- to be gracious. gendered no pleasure in Demo-cratic ranks. Frequently tees deemed to be so important

> serving on other committees. majority seats; 31 of the committee's Democrats were re- critical position on their part.

probable cause that the lawyer has vio-

Although the trend is toward opening

the hearings, proceedings against law-yers remain tightly shuttered in 19 states.

Even the medical profession is more open to scrutiny than lawyers in those

A commercial diver harvesting sea ur-

chins in the Pacific Ocean about 40 miles

(65 kilometers) off Santa Barbara, Cali-

fornia, was killed by what apparently

was a great white shark. If confirmed, it

would be the first fatal shark attack in

California waters since 1989. James

Robinson, 42, died at a hospital about

two hours after the attack, which oc-

curred after dark. The area is known as

tiful seals and sea lions.

'Shark Alley" because great white sharks congregate there to hunt the plen-

When Crime Doesn't Pay: David Lee

McCumsey Jr., 18, went to a hardware

store looking for work and allegedly

stole two handguns and a watch. Police-

men in Homosassa Springs, Florida, say

he was not hard to find: he left his job

application behind. He was charged with

larceny and released on \$4,250 bail. . . .

lated an ethics rule.

Short Takes

Some affected members tried

Others were not so diplomat-

"We have never made a sitting Republican come off a Republicans have shrunk committee," said the Demo-Appropriations to 56 from 60 cratic whip, Representative Damembers, and Democrats will vid E. Bonior of Michigan. go to 24 minority seats from 37 "We've always accommodated

Two suspected drug traffickers landed their plane at a U.S. Air Force base near

Merced, California, instead of a nearby

civilian airport, officials said. Edward

Velez and José Gonzalez were taken into

custody, officials said, when a search of

the aircraft revealed two pounds of methamphetamines with an estimated

A single sheet of paper bearing an autograph copy of the classic poem that

begins "Twas the night before Christ-

mas" was auctioned Friday for \$255,000

at Christie's in New York. The buyer was

Ralph Gadiel, an Illinois gift retailer.

The author, Clement Clarke Moore of

New York, left just three copies of the

poem in his own hand. Moore wrote the

poem - formally titled "A Visit From

Americans spend \$5.6 billion a year on perfume, The Washington Post reports,

and 75 percent is spent by men for

A New York Times reader, Ann Root,

reports in the Metropolitan Diary col-

umn that her son, asked in an elementary

school quiz to name one of George

Gershwin's compositions, put down

St. Nicholas" — in 1823.

Christmas presents.

"Rap City in Blue."

street value of \$16,000.

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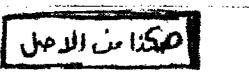
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The Nigerian Junta Is Tightening Its Grip We've Never Seen Anything Like This,' Lagos Lawyer Says

By Howard W. French New York Times Service

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military leaders crushed a strike in August aimed at forcing them to respect the results of nullified national elections, many people braced for another long chapter of stern rule by an army that has controlled power for most of the country's 34 years of independence. In its latest attempt to tighten

control, the military suspended habeas corpus, a protection against illegal imprisonment, a

The move, which denies arrested people the right to appear before a judge, comes as the government pursues its roundup of opponents and ignores court rulings providing for the release on bail or for medical treatment of the man believed to have won the presidential election in June 1993. "The military has been going

around giving speeches saying they respect the independence of the judiciary," said Itse Sagay, a Lagos lawyer and hu- living standards in the last year

man-rights advocate. "Of all and Mr. Abiola's continued dement concede in private that no the dictatorships we have suf-LAGOS - When Nigeria's fered, we have never seen anything like this before."

Opposition to military rule is rising, feeding renewed hopes of a return to democracy.

In a surprising show of the spreading disaffection, delegates to a conference set up to rewrite the constitution ignored urgings by army leaders that they be granted as much as three more years in power. Instead, the conference last week demanded new elections

by Jan. 1, 1996. The constitutional gathering. in the capital. Abuja, had been widely considered an exercise to buy time for the military leader, General Sani Abacha, and to provide legal cover for his gov-

ernment's imprisonment in

June on treason charges of Mo-

and a transition to civilian rule

shood K. O. Abiola, presumed winner of the 1993 election. But with the popular mood turning strongly against the army after a sharp decline in conference seem to have decided that the only way to save their careers is by turning on their military patrons.

Delegates reported that the government had sought to sway their decision on the transition by threatening withdrawal of official vehicles and other perquisites, but those who urged a slower handover to civilian rule had nonetheless been shouted down by the majority.

Diplomats say that if the government can count any successes since it took power one year ago, it has been in generating resignation among Nigerians, including many of Mr. Abiola's supporters, about his ever tak-"This is really the bottom line

for these people, that Abiola never be allowed to become president," said one diplomat, referring to the government. Government officials who

publicly maintain that Mr. Abiola is receiving fair treat- handover date.

tention, many politicians at the amount of legal arguments will secure his freedom.

The official said the government feared that if he was released, Mr. Abiola, a wealthy publisher, would "use his fortune" to revive his claim on the presidency.

Diplomats who have seen him in jail say Mr. Abiola, who has long suffered from high blood pressure and circulatory problems, has recently had urological and "severe digestive

Along with many Nigerian political analysts, these diplomats say that now that the constitutional conference has established a date for civilian rule, there are two primary threats to the military. One is the likelihood of un-

rest if Mr. Abiola dies in prison. The other is a new wave of opposition, coupled with strong international pressure, that would be sparked if General Abacha refuses to abide by the

Iran Is Backing Education, Not **Punishment**

New York Times Service TEHRAN - Iran has declared that education

and rehabilitation have replaced punishment for convicts and invited international organizations to inspect the country's pris-

As part of the new policy, journalists were granted a tour of a penitentiary where tens of thousands of political dissidents have been detained, tortured and executed since 1964.

Nonetheless, the authorities denied journalists' re-quests to visit the solitary wing of Evin Penitentiary. The tour of Evin, the sec-

ond this year, was seen as an attempt to address recent reports of human rights abuses, including a report by the UN human rights commissioner accusing Iran of violating the rights of women and religious minorities, among other things.

Lord Joseph, 76, Ex-Cabinet Minister And Senior Thatcher Adviser, Dies

New York Times Service

I.ONDON - Lord Joseph, 76, a former cabinet minister and one of the main ideological architects of the Conservative Party's free-market philosophy under Prime Minister Margaret Thatcher, died Saturday.

A spokesman said the cause of death was chest complications from a stroke he suffered

Keith Joseph was a Conservative member of Parliament from 1956 until 1987. During that period, he served in a succession of cabinet posts, starting with the post of minister for housing and local government from 1959 to 1961 and ending as education and science secre-tary for five years until 1986.

Mrs. Thatcher considered him one of her chief mentors and most important aides. She entrusted to him a central goal of her administration when she became prime minister in 1979 — that of transforming British industry by privatizing state-

BOOKS

ishing the power of unions.

He served as secretary of state for industry for two years, until 1981, and played a central role in breaking a strike at British Steel. He also helped begin a process that led over the next decade to the sale of British Airways, British Telecommunications and many other large state-owned companies.

As education secretary, he clashed bitterly with the teachers' unions in an effort to hold down pay increases.

In a statement, Lady Thatcher said: "Today I have lost one of my dearest friends, England one of her greatest men.

William Luce, News Editor Of The New York Times, 70

NEW YORK (NYT) - William P. Luce, 70, a former news editor of The New York Times, died Friday in Jacksonville, Florida, where he was vacationing. He lived in Englewood, New Jersey. The cause of death was an aneurysm, his family

A shirt-sleeve editor with a

By Richard W. Stevenson owned companies and dimin-zest for life, Mr. Luce was an old-fashioned newspaperman who turned his skills to shaping local, national and cultural coverage at The Times, rising to the position of news editor, in which he supervised the editing of the newspaper.

Mildred Hilson, 96, who raised millions of dollars for charities, museums and the Republican Party, died Saturday in New York.

Antal Apro, 81, an old-guard Communist leader and former deputy prime minister who opposed the 1956 uprising against Soviet rule, died in Budapest

Phoun Siprasenth, 74, the deputy prime minister of Laos, died of a heart attack in Vientiane, the official Vietnam News reported in Hanoi on Fri-

Israel Aaron Maisels, 89, an attorney who successfully de-fended Nelson Mandela and other senior anti-apartheid activists in several trials, died

Studying the chronicles of

BRIDGE

By Alan Truscott

THE captain of one contending team in The Fall Nationals of the American Contract Bridge League, was Michael Becker, who held the West cards on the diagramed deal in the Spingold Knockout Teams. He opened the bidding with one diamond, then found himself defending four hearts after a take-out double by

The opening lead was the club king, and when East played a discouraging club, the chance for successful defense seemed poor. There was little point in shifting to the singleton spade, since East could not have an entry. The obvious play was to cash the club ace and hope for something good to

happen. That was what West did in the replay, and nothing good happened. When a third club was played, South won in dummy, crossed to the spade jack and led a trump. When the jack was played and won with the bidding: ing, he led another trump, hoping for an even split, and was rewarded.

Becker made a subtler play. At the second trick, he led an

apparently innocuous diamond to dummy's diamond ace. This gave South another possibility and he snatched it, unwisely as it proved. He crossed to the spade jack and played his diamond winners, throwing the remaining clubs from the dummy. sity Press. East ruffed, and gave his partner a spade ruff to beat the

Should South have seen through the trap? Maybe - but give Becker credit for setting it.

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Both sides were vulnerable. The

GOING ABROAD: European Travel in Nineteenth-Century American Culture

By William W. Stowe. 251 pages. \$24.95. Princeton Univer-

Reviewed by Jonathan Yardley

E ARLY in the 19th century, Americans started venturing across the Atlantic to Eucomfortable and fairly reliable North Atlantic steamships and networks, the tide of the early rope became a commonplace." tourists, Mark Twain:

"During that memorable but also Correct Meaning month I basked in the happi-

body was going to the famous going to the Paris Exposition. The steamship lines were carrying Americans out of the various ports of the country at the rate of four or live thousand a week, in the aggregate. If I met a dozen individuals, during that month, who were not going to Europe shortly, I have no distinct remembrance of it now."

They went to Europe, but why? The explanation might seem close at hand — to see the rope in ever-growing numbers. famous sights, to soak up cul-As William W. Stowe puts it in ture, to have a good time — but "Going Abroad," "With the large-scale introduction of fast, porary American scholarship to settle for the obvious: instead beneath the surface of ordinary the roughly simultaneous ex- human events one must be everpansion of European railway alert for Meaning. Thus it is that Stowe, who teaches English 19th century became a torrent, at Wesleyan University in Conand the American tourist in Eu-necticut, has plumbed the travel writing done by many of these Or. in the words of one of those innocents abroad and has classless society"; that "much found in it not merely Meaning

Yes, the subject of correctness of being for once in my life ness is tiresome, but when its experience and writing of travel drifting with the tide of a great ugly head is reared there's little has been done by feminist popular movement. Every body to do save recognize it for what scholars, who have seen travel was going to Europe — I, too, it is. Thus we have Stowe assertass as a site both of female empowwas going to Europe. Every ing in his preface that "one way erment and contestatory dis- arship are geniuses at reshaping

WHAT THEY RE READING • Louis Begley, president of PEN American Center and the author of "The Man Who Was Late: A Novel," has just fin-ished reading "Le Mauvais Genre" by François Nourissier.

"The most marvelous book about writing in general, the uses of memory and other novelistic concerns.' (Mavis Guinard, JHT)

European travel was to help construct and claim identities variously defined by gender, class, race and nationality"; that "the whole enterprise . . . was intimately associated, furthermore, with the construction of a privileged bourgeoisie in the context of an ostensibly of the best work on the intersections of questions of race, class, gender and nationality with the

19th-century Americans used course and of the definition and assertion of power by dominant races, classes and national-

These feminist scholars may have seen it that way, but is that how it really was? Was 19thcentury American travel in Europe not mere travel per se but an elaborate ritual fraught with Meaning as defined by the Holy Trinity Plus One: race, class, sex and nationality? Persons living in the real world may protest that this is reading rather more into such travel than the facts can substantiate, but those living in the hothouse of radical schol-

the past to suit the ideological convenience of the present.

Thus we have Stowe, who clearly is determined not merely to placate his feminist colleagues but to be more feminist stale rhetoric of chic scholarships: Not merely are "empowerment" and "privilege" and "domination" pervasively present, but the reader is treated to such twists of the knife as "canonical sights" instead of what normal people would call "tour-ist attractions." So reading planet. "Going Abroad" is a vexing if not infuriating task made all the more so by the recognition that beneath all the obligatory thet-

oric is an intelligent mind.

the famous as well as the unknown, Stowe shows how Americans sought, consciously or not, to improve and redefine themselves in the Old World. than the queen. "Going But just about every time he Abroad" is riddled with the writes something sensible, he writes something sensible, he follows it with indigestible prattle such as "the historically problematic class and gender identity of certain 19th-century men." The final result is a book that will appeal only to true believers and will seem, to all

> Jonathan Yardley is on the staff of the Washington Post.

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The engines are quietly humming at 37,000 ft. above the Indian Ocean. And you wish you could sleep. Then you remember who you're flying with.



ZZZZZZ.

In Chechnya, a Touch of Old Soviet Style

By Steven Erlanger New York Times Service

MOSCOW - Russia's invasion of Chechnya, the small, fierce Caucasian state that declared independence three years ago, will make the visits to Moscow this week by Vice President Al Gore and Defense Secretary William J. Perry that much more difficult and delicate.

Mr. Gore and Mr. Perry will inevitably try to restore a sense of comity and momentum to a relationship that to Washington, at least, suddenly seems to have lost its

Similarly, Secretary of State Warren M. Christopher plans a meeting with Foreign Minister Andrei V. Kozyrev to "clear the air" after sharp Russian opposition last week to U.S. policy on NATO, Bosnia and

But the invasion of Chechnya, and the manner in which it was done, will hardly help the Clinton administration's efforts to preserve its aid-Russia policy with the incoming Republican Congress.

Chechnya, a mountainous and ohstreperous state of only 1.3 million people and seemingly as many feuding clans, is part of Russia, and Moscow has never accepted its

independence. Washington has taken the position that, unlike the cases of Azerbaijan or Ukraine. what happens in Chechnya is "an internal

Russian affair." But it can hardly ignore what seems to be a new aggressiveness on the part of a Russia with whom it was talking of close partnership only a year ago.

The way the government of President Boris N. Yeltsin has moved to subvert the

BRUSSELS - One of the European

Union's most expensive policies, which pro-

tects farmers' incomes from currency fluctua-

tions, is likely to be abolished by farm minis-

The so-called switchover mechanism, intro-

duced in 1984 to cushion German farmers

from a cut in prices after a revaluation of the

mark, has sent farm prices nearly 21 percent

above market levels and cost more than \$35

"We should at least have a political decision," said the EU farm commissioner, Rene

Reform of the EU's complex "green mon-

ey" system to convert subsidies from Europe-

an currency units into national currencies is

one of a long list of items that EU farm

ministers will start to tackle on Monday in a

meeting expected to last several days.
"The switchover is dead and gone," said a

Union diplomat, who added that member

states disagreed over what should replace it.

notably compensation measures for farmers.

A final decision can only be made after the

billion in the last 10 years.

ters this week.

Chechen leadership, with the establishment and funding of a "liberation force" and a nominally secret, though poorly hidden military intervention, has all the ring of the old Soviet style in Africa and the

Third World. It seemed to be taken straight from Soviet textbooks on destabilization, said Oleg Kalugin, a former KGB general, and

NEWS ANALYSIS

it is an indication of how much Mr. Yeltsin seems, these days, to be depending on the "power ministries" he controls — the military and the intelligence services - and paying less attention to either public or parliamentary opinion.

"It's done in the old style, and it's a disaster, which the democrats and the intelligentsia cannot support," said Mr. Ka-lugin, who broke with the KGB and considers himself a liberal. He pointed to the immediate opposition to the invasion expressed by Yegor T. Gaidar, the former prime minister, who has been reluctant to break with Mr. Yeltsin on any other issue.

"It's a clear sign of the growing, if not overwhelming, influence of the security people on Mr. Yeltsin," Mr. Kalugin said. It is also a sign of a leader who has made a different set of alliances. Three years ago, when he was the hero of the democrats and in the process of destroying the Soviet Union, Mr. Yeltsin listened to his former vice president, Alexander V. Rutskoi, and tried to crush the Chechen rebellion.

But the Chechens resisted, and the Russian Parliament ordered him to pull the

"We're not seeking to keep the swit-chover," said a German official. "But we

want to avoid German farmers suffering a

As the European Union's chief paymaster

and current president of the council of minis-

ters. Germany will play a key role in reaching

The farm commissioner warned against a

German-led effort to resurrect a mini-swit-

chover system automatically converting a

price cut for farmers whose currencies revalue

into higher compensatory payments for all

"They re trying to bring it in again through the back door," added a Steichen aide, noting

that only Britain has resisted the German

Each 1 percent revaluation of the mark

would cost an estimated \$255 million in high-

er area aid and livestock premiums agreed

under the 1992 reform of the Common Agri-

cultural Policy compared with \$365 million

"It's crazy to compensate farmers for price

other farmers with weaker currencies.

loss in income after a revaluation."

a compromise agreement.

under the old switchover.

troops back. He complied, but it is unlikely that he would today.

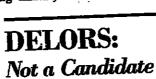
It is not just that Mr. Yeltsin has moved to the center, seeking support from nationalists and not just from democrats, who have been divided and not especially popular. To fail twice in Chechnya would destroy Mr. Yeltsin's authority, and it would also underline the weakness of the

central government. The battle against Chechnya can be portrayed as a fight for Russian unity and against chaos and crime, given the prominence of Chechens in the so-called mafia that bedevils and corrupts all of Russia. And if Mr. Yeltsin is lucky, a Chechen population tired of three years of poverty and confusion under its current leaders will not strongly resist a Russian intervention on the side of more "reasonable"

But the Russian invasion is more likely to create a stronger Chechen patriotism in a region only conquered by the czars in 1878, after a long and nasty guerrilla war that presaged Afghanistan. And the Chechens have the capacity to bring the war to

Moscow with terrorist incidents. More concretely, Russia is now faced with the traditional military problem, wellknown to Americans in Vietnam or Soma-

lia: It's easy to get in and hard to get out. Mr. Yeltsin is in the hospital, recovering from a conveniently timed operation to his nose, apparently damaged in a childhood scrap, and it is probable that he will be unable to see Mr. Gore. It will also be interesting to see whom Mr. Perry gets to meet, given the open opposition of some high-ranking military officers.



Continued from Page 1

pleased governments in Paris, including conservative ones.

This rare mix of ideologically contradictory views has always made Mr. Delors a disconcerting figure in French politics.

A former Socialist finance minister who ended up imposing budget austerity as the path for national competitiveness, Mr. Delors became in Brussels the architect of a stronger Europe in which member governments pooled their powers in order to operate on a par with the United States and Japan.

As a potential presidential candidate, Mr. Delors said that France should take the leadership of a better organized European community at the cost of delegating some sovereignty to a streamlined European Commission — a view close to dows, you're going to create re-Bonn's thinking but opposed sentment."

Bonn's thinking but opposed sentment. With the

When he emerged as a possipolls showed him as the nation's favorite, partly because of his image as a man of rocklike personal integrity at a time and American blacks — one when France has been wracked with corruption scandals.

But French opinion also re mained widely opposed to the Socialists, who suffered a landslide defeat in Parliament last year, so Mr. Delors faced an uphill battle in trying to translate his personal popularity into a working political majority:

If he had run, Mr. Delors was expected to announce that, if elected, he would immediately hold a national referendum to reduce the presidential term, increase the powers of Parliament and make other institutional changes to improve the balance of authority in the French sys-

With that reform to give him momentum, he could then have called for new national elections in hopes that Socialists would recapture enough seats for Mr. Delors to tempt the center-right parties to break ranks with the conservatives and form a new centrist voting block.

Ex-Health Aide Has No Regrets

WASHINGTON — Surgeon General Joycelyn Elders, who

In a telephone interview with NBC television broadcast Sunday, Dr. Elders said she did not know whether President Bill Clinton was goaded by conser-vative Republicans to press for

Dr. Elders had been outspoken on sexual education and drugs. This got her into hot water with conservatives in her own Democratic Party and with

"I don't really have any regrets," she said. "I try to speak what I see as the truth."

The coup de grace was her comment on masturbation. Asked during an AIDS conference about bringing masturbaly, the passengers burst into a tion into sexual education in the schools as a means of controlling AIDS, Dr. Elders said she believed that such education should be considered.

America as slaves were drawn from farther north. The clothing that many black Americans associate with this continent comes from West Africa and the language, Swahili, from East Africa. "On the cultural level, about the only thing we share is jazz," Mr. Kornegay

It is on the political front that flows from that. On the

home during the worst years of repression under the white minonity's now-dismantled apart-

Blacks here have always known that, come rain or shine, they are the majority here," said Mamphela Ramphele, a South African sociologist who spent last year at Harvard. "There is a security and a rootedness which hand, I sense a great deal of helplessness and hopelessness among African Americans. You almost get the sense they want to come here to win the battles



A member of the Chechen Women's Defense Brigade at a solidarity rally in Grozny.

European Parliament has given its opinion, cuts they've never experienced," the aide said. expected early in 1995.

Farmers' Protection May End

EUROPE: EU Moves Away From 'Ever-Closer Union' Continued from Page 1

"Is this the Europe we regional policy.

want?" he asked. The analysis struck a chord with Prime Minister John Major of Britain, who defended once again Britain's opt-out from the Union's single-currency plan, and Prime Minister Edouard Balladur of France. who cited the same voting worry in his recent proposal to al-

Chancellor Helmut Kohl of Germany, the stoutest backer of deeper integration, said leaders needed to make their Union "irreversible," but he avoided mention of his party's recent slowest car dictating the pace call for a hard core of committed states to force the pace.

To be sure, the idea of a Eu-

low different subgroups within trade zone remains anathema to form a blocking minority the Union to cooperate on areas outside Britain. Mr. Balladur against small-state demands. such as defense, economics and said France would prepare proposals for a common foreignratus during its EU presidency, which begins next month. And Mr. Kohl said after the meeting that in the Europe-an train, "you can't have the

> for all. But there was agreement among all the leaders to avoid rope as little more than a freean ideological debate over a federal Europe, which carries different meanings in each country, and instead take a 'pragmatic" look at what is needed, according to President François Mitterrand of France.

The gathering made clear that the cost of absorbing the poor Eastern countries and the difficulty of finding consensus among a growing number of members would force big changes in the way the Union is run, officials said.

In its details, the summit meeting indicated that pragmatism involved a more limited SETTLERS: Intrigued by New South Africa, U.S. Blacks Pack Their Bags Continued from Page 1 sive, overwhelmingly white sub-

urb, "and just see the townships through bulletproof car win-With the official rate of black

unemployment pushing 50 percent, there is a natural backlash ble candidate this fall, opinion against any foreigner who takes away jobs or profits. Beyond that, there is a complex relationship between South African that encompasses everything from solidarity, kinship and admiration to envy, disappoint-

ment and misunderstanding. While South African whites have historically looked to Europe for their cultural cues, blacks here have always been fascinated by America. African American superstars of movies. television, sports and music are the dominant cultural icons of

the townships. It can lead to help that his wife is South African exiles made the The blood and cultural con-

some discomfort. "People here look at me and think I must live like Bill Cosby and his family," said Barbara Lomax, a native Virginian who directs a union training program for the AFL-CIO and has been here two years. "I must say I get a little uncomfortable with that. I think we are somehow providing some false hope."

Mr. Kornegay, by contrast, has been here just a few months and senses an instant comfort, especially with middle-class black South Africans who have glown more they have climbed the economic

ladder. "I was at a party last weekend -about half South African black and half African American - and it was amazing the way we all just sort of melted into each other," he said. It may

nections between South African and American blacks are actually not all that old or thick. The

Africans who were taken to

the bond is so potent. American blacks were in the forefront of the worldwide anti-apartheid movement; South Africa blacks drew inspiration and guidance

But even a common history of oppression has spawned some differences in the psyches of the two peoples.

they felt they never fully won in the civil rights era."

In this Tuesday's



Todd Oldham's **Time**

ew Age design director for Escada.



Herald Cribune

TERROR: Fatal Blast on a 747

Continued from Page 1

Haruki Ikegami, 24. Mr. Ikegami and the 10 injured passengers were all Japanese. The flight originated in Manila and made an intermediate stop on Cebu Island, site of several beach resorts. The passengers were mainly Japanese tourists, NHK reported.

Passengers and crew members told reporters in Naha that the blast happened at 10:45 A.M., three hours out of Tokyo's Narita Airport. Japanese media reports said

the explosion appeared to have occurred at Row 26 in the econ-

omy section of the plane. The victims were apparently sitting in or near that row when the explosion occurred.

After the explosion, the pilot, Eduardo Reyes, dropped to 10,000 feet from 30,000 and changed course for Naha.

But it took an hour to get there - an hour when passengers feared that another explosion might be imminent.

When the plane landed saferound of applause for the pilot. Passengers praised the pilot and crew for handling the crisis

About Comments Agence France-Presse

resigned last week under White House pressure, said she had no regrets about comments that led to her downfall.

her to leave, saying only, "He did what he had to do."

Republicans in Congress.

CLINTON: With Pals Like This, Who Needs Enemies? that Mr. Hubbell could hold the the political capital to with

Continued from Page 1 With victorious Republicans in

Congress pushing a conserva-tive agenda, Mr. Clinton jettikenness on incendiary issues was an increasing liability for the president, particularly in his current wounded condition and as the 1996 presidential election draws nearer. But even as he divested his

administration of one political difficulty, Mr. Clinton found himself confronted with another: the Hubbell guilty plea and its potential legal and political fallout. A former law partner of Hillary Rodham Clinton, Mr. Hubbell admitted bilking his law firm and clients of nearly \$400,000.

Mr. Hubbell's criminal conduct took place before Mr. Clinton's election, but the closeness of their relationship. and the fact that the president brought him into the highest councils of the Justice Department, poses a new political difficulty for the president at a moment when that is the last thing he needs. Mr. Hubbell promised to co-

operate with Mr. Starr, and some Republicans suggested

ACCESS NUMBERS

key to uncovering possible administration tampering with the Whitewater investigation.

Mr. Starr is also conducting a soned an official whose outspo- broader inquiry into the billing practices at Rose, and the firm is under scrutiny in five separate federal inquiries. But officials and Democratic strategists said last week that they believed the bigger peril for the president posed by Mr. Hubbell's guilty plea was political rather than legal because they believe Mr. Hubbell has nothing damaging to say about the presi-

> The accident of timing that brought the two events together in the same week served as a painful reminder of what has happened to the Clinton administration in the last two

li was two years ago, on Christmas Eve, that then President-elect Clinton pointed proudly to the very trait that ultimately led him to dismiss Dr. Elders — her outspokenness - as he announced her selection. In office, as Dr. Elassessment, Mr. Clinton had ness," he said.

stand conservative demands for "Her detractors were largely

viewed as little more than gnats," Mr. Neel said, adding that now, "The detractors have now become lions and tigers." Although they had weathered

Dr. Elders's calls for legalization of drugs and blasts at the Roman Catholic Church for its "love affair with the fetus," officials insist that her comments on teaching masturbation went so far beyond the pale that sha would have been dropped no matter what the political cli-

■ A Middle-Class Tax Cut? With Republicans clamoring for tax cuts, Mr. Clinton said Sunday he thought the federal government could afford a tax break for middle-class Americans, Reuters reported from

Mr. Clinton, who promised a middle-class tax cut during the 1992 campaign, told reporters after the Summit of the Ameriders's early controversial state- cas, "I want to fulfill the comments demonstrated the accu- mitment of our campaign and racy of the president's my commitment to tax fair-

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RUSSIA:

Chechnya Action*

Continued from Page 1

planned and executed assault

on Grozny on Nov. 26. When

the smoke cleared, Mr. Du-

dayev's forces had taken more

than 20 Russian troops prison-

After that, Mr. Yeltsin, who

is under pressure from national-

ists to stand up for Russian in-

terests, ran out of patience and

ordered a build-up of Russian

forces on Chechnya's borders.

Although the Russian prison-

ers were freed last week, Mr.

Yeltsin on Friday signed a decree ordering that "all available

measures" be used to disarm

the Chechen forces and restore

"constitutional order" in the re-

On Saturday, the 63-year-old president underwent a minor

operation on his nose that was

expected to keep him away

Prime Minister Viktor S.

Chernomyrdin met Sunday

with the leaders of Russia's two

houses of Parliament. The

meeting seemed an effort to

stem rising opposition among moderate and liberal politicians

to using force against the break-

away republic.

To underline that opposition,

several hundred demonstrators

gathered in freezing weather in

downtown Moscow on Sunday

to denounce Mr. Yeltsin's deci-

sion to use force against Chech-

"We received information

that Grozny will be stormed to-night," said former Prime Min-

ister Yegor T. Gaidar, a leading liberal. The attack will end in a

sea of blood. Grozny should not

be stormed. It is a Russian town

Mr. Gaidar warned Saturday

that hard-liners in the Russian

government and security ser-

vices had conceived the attack

on Grozny as a way to detail

Russian democratic reforms.

He said the hard-liners were

counting on the Chechens to

respond to the invasion with a

campaign of terror against

on Russian soil."

from the office for a week.

20

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of Minister on Hospital

2 Senators

North Korea

SEOUL - Two U.S. sena-

tors arrived in North Korea on

Sunday to discuss the nuclear

accord reached between Wash-

ington and the North in Octo-

Paul Simon, a Democrat from Illinois, and Frank H. Murkowski, a Republican from

Alaska who has criticized the

accord, left by air from Beijing aboard a U.S. Air Force plane,

the first American military air-

craft to land in North Korea

since the end of the 1950-53 Korean War, South Korea's

Arrive in

حيكذا من الاجل

Israel and Jordan Exchange Embassies *: Latest Step Toward Peace Protested by Muslims in Amman

By Clyde Haberman New York Times Service

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JERUSALEM — Israel and "Jordan fleshed out their peace treaty some more on Sunday. opening temporary embassies in each other's country and say-ing they would exchange ambassadors next month

For the first time, an Israeli flag flew openly in the Jordanian capital of Amman, and in a separate ceremony held a few hours later the Jordanian flag was raised in Tel Aviv, where almost all foreign missions in Israel are located. Both embassies are in hotels for now, until permanent locations are found.

Israel has yet to name its ambassador to Jordan, which on Oct. 26 became the second Arab country, after Egypt, to sign a peace treaty with the Jewrish state. Amman has appointed Marwan Muasher, a former spokesman for the Jordanian delegation to peace talks in Washington, as its ambassador,

but he will not begin his assign-ment for several more weeks. and the West Bank district of "shortcuts might lead to catas-trophe."

Although relations between the former enemies seem to be a broad consensus.

Several hundred Islamic protesters, kept well away from the hotel housing the Israeli Embassy by scores of police offi-cers, held a street demonstration in Amman to denounce what they called "a black day" that represented "a departure from the nation's principles."

As the Israelis strengthened their ties with Jordan, they struggled unsuccessfully for progress in their trouble-ridden negotiations with the Palestine Liberation Organization on expanding Palestinian self-rule throughout the West Bank, taking it beyond the Gaza Strip but Mr. Rabin cautioned that

After collecting their shared progressing smoothly, their urday, Israeli and Palestinian agreement to end a decades-leaders turned from ceremonies long state of war still faces op-in Oslo to the sober realities of position - much more so in how to move to this next stage. Jordan than in Israel, where peace with King Hussein enjoys

At its heart are Palestinian elections and a companion redetions and a companion rede-ployment of Israeli forces in the West Bank. But while saying they still favor such elections, Israelis are looking for a way to limit their troop movements to minimize security risks to the roughly 125,000 Jews settled in the West Bank.

> The three Nobel winners -Prime Minister Yitzhak Rabin and Foreign Minister Shimon Peres of Israel and Yasser Arafat, the PLO chairman - discussed the matter in Oslo but reached no agreement. A senior Palestinian official, Ahmed Khoury, complained that Israel was "not serious" on the issue,

Despite the familiar bicker-1994 Nobel Peace Prize on Sating, both sides seemed eager to settle the matter quickly and keep relations from deteriorating, and so they scheduled sevcral meetings for later this week, both between Mr. Arafat and Mr. Peres and among lowcr-level officials. In Israel and the predomi-

nantly Palestinian territories, the Oslo events received mixed reviews on Sunday. As before, many Israelis deplored the idea of their leaders' sharing an award with someone who has a terrorist past, and many Palestinians saw no reason to give peace prizes to Israel when they remain under military occupation. On both sides, commentators said that the absence of real peace made the Nobel ceremony premature.

But there was also praise, even from Israelis for Mr. Arafat, which is rare.



The Jordanian flag being raised Sunday next to Israel's at Jordan's embassy in Tel Aviv.

New Delhi Rejects Demands for National Vote

NEW DELHI -- The governing Congress (I) Party on Sunday rejected opposition demands that India's prime minister resign and call a national

party lost three of four state elections last week, including one in Prime Minister P.V. Narasimha Rao's home state of Andhra Pradesh.

Pradesh and adjoining Karna-taka state. It also lost the tiny Himalayan state of Sikkim, but won the southern state of Goa.

"There is no question of snap polls," said a Congress Party spokesman, V. N. Gadgil. "Where is the question of snap The demand came after the polls? The verdict is not against the federal government."

The state elections have no direct impact on the party's parliamentary majority in New Delhi. Pre-poll surveys showed

National elections are not due until 1996.

The centrist Janata Dal Party renewed its dominant position in Karnataka after a gap of five years. The new chief minister, H.D. Deve Gowda, said that he was not opposed to foreign investment in energy, tourism, telecommunications and urban development sectors.

Mr. Gowda's assurance came amid fears that the Congress Party's defeat could slow down India's three-year-old economic

reform program.

ing in New Delhi backed Mr. Rao. But news reports said the session was acrimonious

Many Congress Party leaders attributed the drubbing in the elections to anger caused by the withdrawal of farm subsidies.

Swiss Avalanche Kills 4

APPENZELL, Switzerland Four hikers died and two were injured in an avalanche on

Korean Broadcasting System North Korea's official Korean Central News Agency reported their arrival and said they were greeted by Song Ho Gyong, adviser to the foreign

affairs committee of the Su-preme People's Assembly, and other officials. They are due to travel to Seoul on Monday for talks with

South Korean officials. The senators said before leaving Beijing their visit was aimed at improving relations between Washington and Pyongyang and finding ways to ensure the nuclear accord is faithfully implemented.

£17.8 Million Lottery Won

Agence France-Presse LONDON — Britain's new national lottery, inaugurated less than a month ago, has its first big winner of a jackpot worth £17.8 million. The winner, who had not come forward Sunday since the draw on Saturday night, had all six winning numbers as well as the comple-

With ballot counting nearly that voters were swayed mostly complete Sunday, Mr. Rao's by local issues and generally party was routed in Andhra were not taking aim at Mr. Rao. the 2,502-meter Santis peak Congress Party leaders meetnear here, police said Sunday. 1 COURTEE MITH 1 SPORTED OMPANY HANDBOOK

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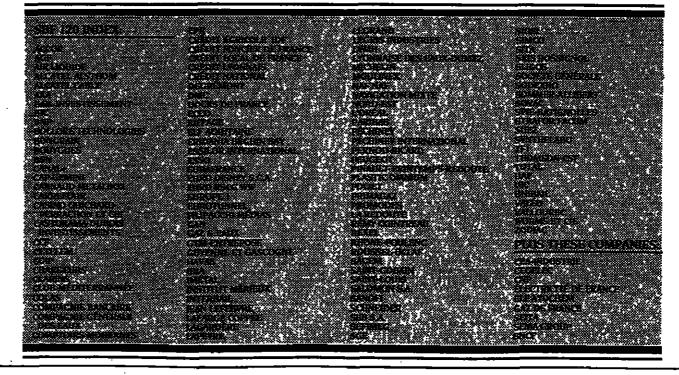
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NAME (IN BLOCK LETTERS)

Hell of Senseless Violence' Is Left Behind Hingo Hasselback spent five years as a leader of the neo-Nazi youth movement in Berlin.

Q & A: Neo-Nazi Reconsiders

Mr. Hasselback emerged from what he called the hell of senseless violence and hate in 1992 to write a confessional autobiography about his years as a neo-Nazi. He recently spoke with Ken Shulman for the International Herald Tri-

Q. Why does a young German decide to become a Nazi?

A. In the East, we were brought up in a very repressive regime. My youth was lived in a series of radical choices, first as a hippy, then as a punk, and then, following a spiral of violence and hatred, as a neo-Nazi. We perceived the state as a sort of antagonist. And being Nazis was our way of showing that we were contrary to the state.

Q. Do you mean that your rebellion took you to embrace the symbols and ideology of a movement that was both illegal and taboo?

A. The fact that Nazism and its symbols were forbidden in East Germany had a very strong appeal for rightist youth. Dressing as Nazis, accepting their ideology, this was all a part of our declaration of independence. For East German youth, the Nazi paraphernalia and philosophy were extremely seductive.

Q. Why is the negation of the Holocaust so central to the neo-Nazi creed?

A. It is only by negating Auschwitz that we could legitimize our Nazi history, and propagate a vision of a Nazi utopia. Exposing the so-called "lie of Auschwitz" is fundamental to the revival of the Nazi party.

Q. Did you hate the foreigners living in

East Germany?

A. We really had very little contact with them, as they lived more or less in ghettos. In a sense, we envied them, because they had passports and could leave the country, while we who were German citizens could not.

Q. Did you ever take part in a homicide, or

in an attack on foreigners in Berlin? A. Most of my activity was political, and consisted in propagating our views in the newspapers, and on television. In Berlin, our conflicts were with the leftist groups, and I was involved in some of these. It is fortunate that I did not participate in one of the actions that caused death. It would have been impossible for me to emerge from the movement after that.

Q. You had contacts with neo-Nazi movements in West Germany, in Canada, and in the United States. How do these movements differ?

A. For the Western Nazis, Adolf Hitler is still the charismatic party figure. And this determines their ideology. We were more interested in the social question, and in politics. In America, this idolization of Hitler is particularly strong. And I encountered a form of racism and hatred there that was even more profound than the one that I had known in Germany.

Q. How did you decide to leave the neo-Nazi movement?

A. In 1990, a German filmmaker named Winfried Bonengel asked me to be his protagonist in a documentary about the neo-Nazi movement. We spent a lot of time together, and he made me reflect on my actions and on my choices. The change came after the po-groms in Mölla and Rostock. I saw that the philosophy which I had been disseminating was responsible for the deaths of these peo-

O. Leaving the movement car been too easy. It wasn't as if you were resign-

ing from a country club. A. It was very difficult. I had to devise an exit that would allow me no chance of turning back. This is why I chose to write my book. There is a very strong sense of loyalty within the movement, and I knew that to emerge, I had to betray that loyalty in a dramatic, public gesture.

Police in Berlin **Detain 19 Youths** At Rightist Rally

BERLIN - German policemen broke up a neo-Nazi rally in Berlin, detaining 19 youths and finding extremist propaganda and a weapon in subsequent raids, a police spokesman said Sunday.

The spokesman said the gathering, which took place Saturday and involved a total of cabout 35 righties apparently

about 35 rightists, apparently, marked the second anniversary of a ban on the neo-Nazi German Alternative group.

The police in the Berlin sub-

urb of Marzahn, meanwhile, said they arrested around 30 people after a crowd of militant leftists attacked and chased some extremist youths Saturday afternoon.

Germany saw a surge in neo-'Nazi violence after unification : in 1990.

The Bonn government has banned several groups over the past two years. Official figures show that the number of attacks has dropped slightly but, especially in the eastern part of the country, neo-Nazi violence per-

A Former Top Minister In Germany in Hospital

HAMBURG - Germany's former "super minister," Kari Schiller, was in intensive care in a Hamburg hospital on Sunday. His family said that his condition was "serious but stable," and that he had been admitted to the hospital on Dec. 1.

The 83-year-old former Social Democrat was known as the super minister because he once held both the finance and economics portfolios at the same time, in the early 1970s.

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Rescue Mission in Bosnia

President Bill Clinton was right to resist earlier pressures to commit U.S. forces either to repel the Serbian aggressors or to serve as neutral peacekeepers. But he is now right to agree in principle to send substantial numbers of American troops should NATO be called upon to cover the withdrawal of United Nations forces. First, however, Mr. Clinton must get congressional approval; and Congress has an obligation to define strict time limits for any U.S. involvement and to insist on force levels that provide maximum protection to American and allied troops.

The United Nations has not yet decided to withdraw its soldiers, nor is any nation about to withdraw unilaterally. The Clinton administration hoped that its troop offer would encourage those countries that have been publicly contemplating withdrawal, chiefly France, to stick it out a little longer. The initial French reaction suggests that Washing-

ton has succeeded on that score.

But in truth, the United Nations presence has been a mixed blessing, hemmed in by its mandate of scrupulous neutrality. Recently the lightly armed UN forces have not even been able to protect themselves. In past weeks Serbian units have taken 300 of the blue helmets hostage, to use as pawns.

Under these circumstances, the United Nations and several countries with troops on the ground have asked NATO to draw up plans to provide military cover for their withdrawal. NATO. which acts only by consensus, could decline. But the majority of the 23,000 UN troops at risk come from France, Britain and seven other NATO countries.

For the United States to veto or stand aside from a NATO relief operation could inflict a mortal blow to the troubled alliance, still a key element of U.S. global security strategy. At the heart of NATO is a U.S. commitment to defend its European allies. Moreover, abandon-ing the surrounded troops would cripple the United Nations' ability to deploy troops in situations where America might otherwise have to be involved.

Bosnia's warring armies say they would not harass withdrawing UN troops. But the Bosnian Serbs' promise is unreliable. Serbian troops surround UN forces in many areas. The withdrawal could be a difficult operation. Before Mr. Clinton commits U.S. troops to such a risky mission, the U.S. Constitution and political sense oblige him to secure congressional support.

Republicans will reasonably insist that a withdrawal operation be under direct NATO command, unlike recent bombing operations that were under joint UN-NATO control. They would also do well to hold the administration to its word that any NATO intervention will employ overwhelming military force to deter potential problems from

any Bosnian faction.
Since the United States is prepared to supply as many as 25,000 troops out of a NATO total of 50,000, Washington will have a chance to influence strategic planning. Bosnia's tragedy has brought no glory to anyone. But it need not end in the further disaster of United Nations military catastrophe and the breakdown of NATO, if President Clinton and Congress plan together.

- THE NEW YORK TIMES.

U.S. Cover in Bosnia Will Have to Be War

By Jim Hoagland

must say "yes" if its NATO allies ask American troops to cover their withdrawal from Bosnia. But the Clinton administration has great choice over how those troops will go in and how they will come out.

The president and his advisers must be clear with themselves, Congress, the American public and the warring parties on the

The strategic bombing campaign that hawks have long wanted becomes a real threat in

these circumstances.

rules of engagement, before any U.S. troops are committed.

That means no more pretense and wishful thinking on Bosnia. The "peace strategy" that Secretary of State Warren Christopher says America pursues must be ex-plicitly abandoned as allied withdrawal begins. Sending U.S. soldiers into the Balkans for this limited purpose must be treated as an act of war - with the Serbs as the identified enemy.

U.S. troops helping with a withdrawal must not go in as peacekeeping troops bound by the restrictions that apply to the United Nations force in Bosnia. They must not be used by the State Department as agents of diplomacy in the now vain hope of shaping a negotiated settlement. GIs will be in Bosnia to accomplish a limited mission and

WASHINGTON—The Unit-to kill anyone who opposes them of States has little choice. It in that effort.

President Bill Clinton bowed to the inevitable in announcing last Thursday that he had decided to send up to 25,000 U.S. troops to assist in the pullout of French, British and other NATO-country forces from the UN command in Bosnia if their withdrawal is ordered by their governments. To keep American troops out of the Bosnian retreat would have ended NATO and American military

leadership globally.

Retreat is the most difficult strategic military maneuver to perform in the best of circumstances. It could be a hellish task for the fragmented United Nations force of 23,000 peacekeepers from 15 nations. American muscle must be deployed and unmistakably flexed to keep the Serbs — and the Muslims who benefit most from the UN presence - in line during a withdrawal.

The UN force has been a useful idiot for the Serbs, helping the British and French fend off American hawks who back strategic bombing campaigns and a lift-ing of the UN arms embargo. The Serbs will not want to see that protective screen dismantled.

The interest of the Bosnian Muslim population in obstruct-ing a UN withdrawal is even clearer. For all its weaknesses, the UN force has been feeding and protecting the populations of Sarajevo and other Muslim-controlled towns. The withdrawal will mean death for a large number of Muslims.

America must use a withdrawal take or destroy, that equipment. The U.S. strategic bombing campaign that hawks have long strategy that will minimize the Muslim deaths and military losses that a UN pullout would

will fight its way out with, and

To Combat Hate Broadcasts, Let's Try Propaganda for Peace

bring. That goal is morally and strategically in American nation-al interests and justifies a war-fighting posture by the American these circumstances. Belgrade and its Bosnian Serb allies have to be put on explicit notice that interference with an American-assisted withdrawal will trigger the obliteration of all Serbian troops who would be used there. Britain and France may not like military assets by the U.S. Air this approach. But they would Force, with infrastructure targets held in reserve if the Serbs have to agree to these steps if they are the price for American proteccontinue attacks on the retreat-

tion for their troops:

To expedite the withdrawal and provide the Muslims with more protection, the departing ing international force.

To be more succinct: If flattening Belgrade is what it takes to get European troops should leave their tanks and other equipment in Bosnian-held territory. This is the carrot for the Muslims to let Serbian acquiescence to a withdrawal that increases the Muslim war-fighting ability, flattening Belgrade would be justified in the United Nations leave peacethis context. Slobodan Milosevic needs to be told that, credibly.

The endgame of UN involvement in Bosnia also imposes a fully. If the pullout is obstructed by them, the international force

reality check on the administration's critics, led by Republican Senators Bob Dole and John McCain Lifting the arms embargo, as they have advocated for months, does not end U.S. moral responsibility to Bosnia but engages that responsibility more deeply. The embargo hawks may shortly face the consequences of

answered prayers.

It is possible to construct an American-led withdrawal strategy that holds NATO together, minimizes the Muslim suffering that would result from this action and causes all Serbs to think more seriously about the costs of con-

tinuing this war.

President Clinton should seek the help of Mr. Dole, Mr. McCain and other Republicans in designing and explaining such a strate-gy. And they should give that help. American policy on Bosnia has reached "the water's edge." where bipartisan agreement must be achieved and observed.

The Washington Post,

The Miami Summit

At the center of the summit of 34 Western Hemisphere leaders that President Bill Clinton opened in Miami on Friday lies the purpose of advancing the economic integration and convergence of the Americas. It is the right purpose, and the right time to reach for it. The Cold War is over, and a new shared focus of hemispheric striving is due. The United States does not inspire the old fears of imperial overreach; Latin and Caribbean nations have more confidence in their capacity to bargain with their biggest neighbor. Successful consummation of a North American free trade area and U.S. congressional approval of the new world trade agreement have set the stage for extending free trade soon to Chile and by

2005 to the rest of the hemisphere. The hemisphere is already on the way to forming assorted subregional trading blocs. The Clinton administration propelled the summit to expedite movement to a single universal bloc. Plenty of relevant experience has shown that there are measurable advantages in jobs, exports and wealth for countries that take the new path. Not that the path is cost- or triction-free. In the United S elsewhere, labor, environmental and human rights groups and their political representatives insist that their claims be

heard by spokesmen of expanding investment and trade. Throughout the hemi-sphere, however, the forces of trade are ascendant. They can best consolidate their advantage by showing respect for interests on the other side.

Trade got the attention at Miami. Behind the economic agenda, however, rests a serious political purpose. It goes beyoud the (irregular) boost that economic modernization can give to political modemization. The proposed Free Trade Area of the Americas is open only to democracies. That rule lets in some arguable cases (Peru) but emphatically excludes Communist Cuba, which finds itself fenced out of a historic post-Cold War project of hemispheric integration.

But the rule could yet be applied to countries that, in their unsteadiness, revert to an openly undemocratic style. In this way are the more or less freely elected governments of the Americas building in a ratchet against backsliding. The European common market had a similar device, which was applied to supply democratic incentives to then-military-run Spain, Portugal and Greece. Now the but potentially invaluable economic lever to ensure the deepening of democracy.

- THE WASHINGTON POST.

Mischief Beyond the Pale

International Herald Tribune

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International Heraki Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neully-sur-Scine, France. Tel.: (1) 46.37.93.00, Fax: Circ., 46.37.06.51; Adv., 46.37.52.12. Internet: BFT@eurokom.ie

JOHN VINOCUR, Executive Editor & Vice President

Surgeon General Joycelyn Elders was fired by President Bill Clinton on Friday more or less for doing what Mr. Clinton had advertised she would when he brought her into his administration. The early word from Arkansas on Dr. Elders, after all, was that she was outspoken and a real shaker-up of establishments and a shocker of the meek and conventional, and wait until she took on the stuffed shirts of Washington. We recall all this merely by way of reminding you that the Clinton administration can hardly claim to have been astonished by the role she has intermittently played since she joined the administration.

We have expressed the opinion in the past that Dr. Elders was doing neither her causes nor her administration nor berself any good by what increasingly seemed to be careless provocation of various segments of the population and statements that simply could not be justified. She was gratuitously dismissive of educators and parents who questioned the distribution of condoms in the school. Her views on the legalization of drugs was the direct opposite of the administration's policy. Her remarks on religion - in particular directed at Catholics and what she called "the un-Christian religious right" --- were intolerant. Her latest remark, agreeing with a questioner on the possible merit in the age of AIDS of teaching schoolchildren about masturbation, was, in the words of White House Chief of Staff Leon

Panetta, "just one too many."

Dr. Elders came on the national scene

with a reputation for more than being controversial, confrontational and something of a crusader. As head of the Arkansas Health Department, she may have stepped on plenty of toes and made plenty of enemies. But she was also a doctor whose aim, she said, was to make "every child born in America a planned and wanted child." She confronted the important problem of teenage pregnancy, expressed determination to stop the spread of AIDS among young people, and seemed, at first, to be on the right track. But she just wouldn't stop pop-ping off in heedless fashion, almost as if

she were looking for trouble. We think the president was justified in asking her to leave. The surgeon general has to deal with extremely sensitive issues. What the president needs in that job is a doctor who is wise in handling these matters, inspires cooperation in this work and has the judgment to know when to speak out and when to play a supportive role. Dr. Elders evidently didn't see her mandate that way, but it is not clear that until last Friday the president she worked for did, either.

What remains unanswered and troubling in the way Joycelyn Elders's term as surgeon general has ended is why a president of the United States could not have made clearer earlier, at any of the many inflammatory opportunities she gave him along the way, what it was that he wanted in that office, what he didn't want, and what the limits he would accept were.

—THE WASHINGTON POST.

By Keith Spicer

brew Bosnia's horrors. Hutu on their Radio Mille Collines ordered half a million murders and a death march of 2 million Rwandans. The United Nations staggers under an

unpaid peacekeeping bill of nearly a bil-lion dollars. Yet the instruments that keep running up the bill — military interposition, humanitarian aid, economic embargoes, diplomacy — all fail to end

OTTAWA — Hate campaigns on Ser-bian and Croatian television helped

root conflicts.

Could the United Nations head off or stop ethnic wars by mobilizing airwaves that are too often used to set them of?? Used against (and by) dictators and demagogues, broadcasts are subversive.

That is why Serbian aggressors put

such a high priority on destroying or capturing Bosnian radio and television stations. And that is why the Hutu set up a mobile radio transmitter 24 hours after the United Nations stopped Radio Mille Collines. Unlike print media, both radio and television reach all social and cultural groups — especially the illiterate or poorly educated, whom dictators so easily manipulate.

Broadcasts can convey anti-racist facts and perspectives in the same powerful way that hate is peddled. They are fairly

inexpensive; they require only a modest amount of equipment and supplies, and only a few staff members. They are hard to

silence. And they risk no lives, or very few. How could the United Nations, and perhaps NATO and other regional security organizations, make electronic peacekeeping work?

Broadcasting can help stifle ethnic conflict before and during armed combat. Networks of "early warning" volunteers could advise the United Nations' 24-hour situation center of hate campaigns that preach violence. Such networks are already run informally by in-

dependent media groups.

The Security Council could order a new, well-equipped media section in its Department of Peacekeeping Operations to broadcast corrective news and views to places inundated with aggressive propaganda. At the heart of such an effort call it propaganda for peace - should be a handful of experts in the use of the media for war and peace. They should be trained in politics, mass psychology and traditional and unconventional warfare. If war broke out despite their efforts,

the department would have standing au-

thority to ship transmitters and media experts to the region to fight back with facts and balanced comment.

In some situations, saving lives might temporarily demand jamming or inca-pacitating mass killers' transmitters. But the emphasis should always be on freedom: on countering evil voices, not silencing them.

At both stages, volunteers from the West's private media aid organizations
—for example, Article 19 in Britain and Reporters Sans Frontières in France could be enlisted to bring their beliefs, resources and specialties to help the

United Nations.
Why hasn't the United Nations taken up information diplomacy as an obvious and routine peacekeeping instrument?

First, because some governments may still not believe that transmitters can save as many lives as soldiers or relief supplies. They ask: Isn't broadcasting some kind of public relations frill - like the UN Department of Public Information? The analogy is wrong. Public relations has nothing to do with peacekeeping. Second, cynics argue that a few chum-

my broadcasts won't sway people with blood in their eyes. If so, why the dictators' frenzy to prevent any syllable of peaceful talk?

Third, some governments fear that invasion of so-called sovereign airwaves might one day be turned against them. That is why the West backed Serbia against free Bosnian journalists who tried to use unauthorized frequencies to broadcast factual peace propaganda on the "pirate" radio ship Droit de Parole. But shouldn't the frequency of death in wartime override such niceties?

Fourth, the United Nations' Legal Directorate, conservative as are all legal departments, sees no mandate for such untraditional roles. The Security Council should instruct UN lawyers to devise new theories, as they always can, to fit the needs of their political masters.

A few journalists may be skittish about anything that seems to involve the news media in public purposes. But we are not talking about corrupting the media. We are talking about using technology, a few volunteers and some vision - all at a pittance — to stop ethnic bloodbaths.

We are talking about using our heads to stop wars that always start, and end, in somebody's head.

The writer is chairman of the Canada's official Radio-Television and Telecommunications Commission. He contributed this comment to The New York Times.

In Japan, a Swing Toward Fellow Asians and Away From the West

TOKYO — A new phrase is 1 cropping up in Japan these days: "Datsu-Oh, Nyuu-Ah," meaning, "Leave the West, Turn to Asia." The phrase comes up with unsettling frequency on television talk shows and in magazine articles and speeches. It reflects a growing belief among Japanese that their nation, a faithful disci-ple of the United States for the

past five decades, should tilt more toward its Asian neighbors. The words reverse a slogan popularized during Japan's mid-19th century modernization — "Datsu-Ah, Nyuu-Oh," or

"Leave Asia, Turn to the West." Manifestations of the trend are everywhere, from the rising popularity of Korean-language songs to the new wave of investment by Japanese companies in fast-grow-

ing China and Southeast Asia.

"Japan Swings," declared a recent cover of Nikkei Business magazine, which showed a pendulum swaying away from the Stars and Stripes toward a Chinese flag symbolizing Asia.

Most striking of all is the surge of attention the Japanese are according to Malaysian Prime Minister Mahathir bin Mohamad, a nationalist who ridicules Western decadence and exhorts fellow Asians to confront the United States and Europe on issues such as human rights and trade.

Mr. Mahathir's face recently adorned the cover of the highbrow Tokyo weekly Aera, and Japanese have snapped up copies of "The Asia That Can Say No." a book published in October that Mr. Mahathir co-authored with Shintaro Ishihara, the right-wing legislator famous for his 1989 book "The Japan That Can Say No."

The new book argues that Japan should return to its Asian roots and join the East Asian Economic Caucus, an Asians-only club of countries proposed by Mr. Ma-

hathir several years ago.

Americans have heard little about Mr. Mahathir, and it is high time they started paying at-

By Paul Blustein minister, who loves jousting in public with Western leaders, rep-States is becoming a less reliable

resents a strain of resentment throughout the region against what many view as Washington's high-handed criticism of Asian economic and political practices, a resentment that has intensified as America's social and economic problems grow more evident. So far, Mr. Mahathir's EAEC

hasn't gone anywhere for lack of support from Tokyo. But last week the Keidanren, Japan's most influential big-business organization, disclosed that it is strongly considering an endorsement of Japanese participation.

Japan's growing economic presence in Asia need not threaten U.S. interests. Tokyo's Asian economic links may actually benefit

U.S. industry by spurring new markets for U.S. goods. Nor is it bad for America that Japan is trying to play a bigger role in Asian political matters such as the Cambodian conflict. Indeed, Washington is actively encouraging Tokyo to help resolve such problems, and Japan's view usually turns out to resemble the U.S. position on regional issues.

But if Japan were to join a group like the EAEC, that would mark a serious escalation of its shift toward Asia.

Defenders insist that the group would be a mere forum for discussion, not a trade bloc. But it would substantially raise the risk of polarizing public opinion on both sides of the Pacific by creating the impression that Asian nations are colluding along racial lines and ganging up on America. Several factors lie behind Ja-

pan's new emphasis on Asia. Economic and social problems in the United States, plus the end of the Cold War, have raised questions in Japanese minds about U.S. willingness to continue its Asia-Pacific military presence, which allows Japan to remain pacifist and thus keeps the region stable. tention. The Malaysian prime The rise of U.S. protectionism,

tive Japanese that the United

trading partner.
At the same time, nearby Asia has become an attractive place for Japan to hedge its bets - and Japanese companies are doing so without any need for prompting

from their government. Japanese investment in plant and equipment continues to increase in Asia while falling in the United States and elsewhere.

The government maintains that Japan can promote its Asian ties without damaging its links to the United States. "The zero-sum arguments urging Japan to determine which is more important to its interests, the United States or Asia, have no meaning," said Foreign Minister Yohei Kono in a recent speech.

Japan plainly has no interest in building a trade fortress in the Asian market, which for all its spectacular growth remains relatively modest in size. Nor is Japan doing so, despite all the idle talk of a self-sufficient "yen bloc" in the making. While Japan's investment in Asia may be rising, the United States remained by far the largest destination for Japanese spending on plant and equipment last year, with two-fifths of the total compared with less than one-fifth for Asia.

Japan's export machine, meanwhile, remains heavily dependent on the United States. The share of Japan's exports going to the Unit-ed States is still well above the 1980 level, when it stood at 24 percent, Most other East Asian countries likewise remain highly denendent on the U.S. market.

Asians love to boast about how they trade with each other more than ever, but much of this commerce consists of goods like fiber and chemicals being shipped from one Asian country to another for ultimate manufacturing into, say, a sweater sold at Macy's.

ing economic power during the late 1980s, when Japanese foreign aid and private investment poured into the region, Taiwan and South Korean investments provide an important counter-

weight to the Japanese presence. According to the U.S. International Trade Commission, American exports to East Asia doubled, after several years of stagnation. during the same 1986-1991 period when Japanese companies were investing so heavily in Asia. That suggests that the Japanese money indirectly helped stoke demand

for U.S. products in the region. Still, all this plus-sum arithmetic might add up to something quite different if a Mahathir-style pan-Asian group were regularly thumbing its nose at the West. Mr. Mahathir sugarcoats his

EAEC (which would combine Japan, China, South Korea, Taiwan

Although Japan indisputably consultative" group that would overtook America as Asia's lead-observe all global trade rules. But the formation of such a group would surely boost the decibel level in trans-Pacific debates, and risk arousing protectionist and

fr.

isolationist sentiment in America. Because of Washington's objections to the EAEC, Tokyo has politely rejected Mr. Mahathur's entreaties by pretending that it doesn't understand what his group would do. But support for group would no. Due support the idea is clearly growing in the Japanese establishment.

In the end, Japan's leadership will probably conclude that joining the EAEC makes little sense. Tokyo, after all, does not have to choose between Asia and America; APEC allows it to choose deeper ties with both. But the wellspring of support for Mr. Mahathir is a sobering sign.

The writer is Asian economics correspondent for The Washington and Southeast Asia) as a "loose, Post, in which this appeared.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1894: Autocratic Czar

PARIS -- [The Herald says in an editorial: Nicholas II is beginming to manifest his intentions on the subject of the internal policy of his Empire. He will remain an autocrat like his predecessors. and does not seem the least in the world inclined to introduce into Russia even a mitigated constitutional organism.

1919: Gallic Borrowings

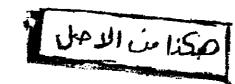
PARIS - Strange differences of usage in the language which is termed "United States" or "King's English" have been noted by the French since the war has brought so many Americans and British subjects into France. The difficulties which result from the variations are frequently increased by the sense which the French themselves have imposed

foreign languages. The predilection for words ending in "ing," a syllable which is a shibboleth for a Gallic tongue, is a feature of the day in France: "Un dancing," a dancing-hall; "le footing," walk-ing exercise; "un smoking," a Tuxedo; "un skating," a rink.

1944: German 'Snorts'

LONDON — [From our New York edition:] German submarines equipped with periscopelike airshafts that allow them to "breathe" have been reported. Called "schnorkel spirall" by the Germans, they are being termed "snorts" by the British. The air-shaft is said to be divided into two sections, one for air intake, the other for exhaust gases. They permit recharging of batteries beneath the water, and the Germans assert they enable a submarine to remain under water on words they have adopted from from twenty to thirty days.

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A New Test for the Federal Reserve

By Carl Gewirtz International Revald Tribune

PARIS - The bankruptcy of Orange County in California after huge losses in the derivatives market is damaging many bystanders. The most prominent of these could be the Federal Reserve Board whose credibility as a vigilante against inflation may be sorely tested.

The main problem for the Fed is timing. The bankruptcy comes at an awkward period: The preparation of end-year accounts always leads to a rundown in activity, draining liquidity from markets and therefore creating conditions for highly volatile price movements.

U.S. bond and stock prices ended a jittery week on a calm note, but fears are high that this could be the salse calm before a storm.

The immediate threat is this week's report on November inflation, with the producer price index to be announced Tuesday and the consumer price index the following day.

"The numbers are likely to be on the high side," says Walter M. Cadette at J. P. Morgan. The expected 0.6 percent rise in the core producer price index, which excludes the volatile food and energy sectors, will not be much of a shock following a 0.5 percent drop a month ago, he says. But he Committee next meets, "partly in recogni-

goods, which has been rising at an annual rate of 6.25 percent over the past six addition, the expected 0.4 percent rise in core consumer prices "could well raise eye-

The view at Morgan is that while the level of inflation may not be troubling, the ing rates headed higher, pressures on prices should build."

Assuming the estimates are correct, the question then is whether the Fed raises interest rates again in December after the mexpectedly large 4-percentage-point rise last month or whether it decides to postpone the move until the end of Janu-

A December rise, in thin markets, might lead to a sell-off in the bond market, adding to the distress of others like Orange County who speculated on interest rate movements in the derivatives market. But a delay until next year, if an increase is warranted, could undermine confidence in

the Fed. The betting at Morgan is that the Fed will probably refrain from acting Dec. 20, when the policy-making Open Market

anticipates that the price for intermediate tion of the thinness of the markets at the

end of the year." But European analysts fear that a delay months, will register another sharp gain. In in the Fed's response to unfavorable inflaMALL STREET W Magship Fund Magship Fund Miling III Risk

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was trying to avert. Both the currency and the U.S. bond markets are at risk from any sign that the Fed is becoming more circumspect in redirection is alarming. "With economic Fed is becoming more circumspect in regrowth likely to remain rapid and operat-Warburg in London and BHF-Bank in

Frankfurt. The official view, as expressed in a report prepared by central bankers from the Group of Ten and released last week by the Bank for International Settlements, is

"At times there may be a short-term conflict between the policy requirements of maintaining low inflation and the policy stance that might seem appropriate in the light of asset price considerations. However, there is nothing to be gained and much to be lost by allowing monetary policy to deviate from a course consistent with price stability."

Another focus of international interest is what the Japanese are up to. The dollar remains above 100 yea, confirming its re-

See FED, Page 13

Inflation Data Point to Volatile Week

NEW YORK - Economic data due this week are likely to send inflation tremors through the Treasury bond market, adding to an already nervous tone created by Orange County's financial debacle that came to light last week.

"The economic data's going to have some muscle and the inflation numbers are not going to be encouraging," said Ward McCarthy, a managing director at Stone &

McCarthy Research Associates. The government is set to release its producer price index for November on Tues-day and its consumer price index for the month on Wednesday. Both indexes are expected to show a sizable uptick in prices, which could sour the Federal Reserve Board to raise interest rates after the next meeting of the Federal Open Market Committee on Dec. 20.

The data will hit a market already shaken by testimony to Congress last week from Alan Greenspan, chairman of the Federal Reserve Board.

he's concerned about economic activity and inflationary tendencies," said Barbara Kenworthy, a portfolio manager at Pru-dential Mutual Funds. "I think he was quasi telling us to be careful" about the

apcoming numbers. Analysts said the data could send the yield on the benchmark 30-year Treasury

U.S. CREDIT MARKETS

bond market back above 8.0 percent. The yield finished last week at 7.86 percent, down from 7.91 percent the previous week. Ms. Kenworthy said the inflation data would provide "a flavor of how well the market can take bad news in an area where we haven't had bad news for a while."

Bad news on inflation also should add to the weakness in shorter-term securities, analysts said, further flattening the yield curve. The news of Orange County's bankruptcy filing caused a short-lived but dramatic

"Greenspan told us in his testimony that steepening in the curve at midweek, but eventually dealers' sales of Orange County collateral proved the dominant factor and the coupon yield curve finished flatter on the week.

The spread between the yields on 30year bonds and 2-year notes stood at 36 basis points Friday, narrowed from 49

basis points the previous week. Traders say still more flattening seems to be in the cards, in part because the bond market has decided the Orange County situation will have little impact, if any, on

the Fed's policy moves. But some analysts said the Orange County situation and the benign inflation data seen so far this year could stall the

Fed's next rate rise until at least January. Raising rates again would put the squeeze on investors like Orange County that made the wrong bet. The Orange County bankruptcy "complicates the Fed's job," said Margaret Patel, with Boston Security Counsellors.

(Knight-Ridder, Bloomberg, Reuters)

New International Rand Issues

New int	ema	tio	na	Bq	nd	Issues
Compiled by Lau	rence Des	vilette	S		-4	
Issuer	Amount (millons)	Mat	Cour). Price	Price end week	Terms
Floating Rate I	lotes					
Australia & New Zealand Banking	\$250	199B	0.10	99.89		Over 3-month Libor, Noncollable. Fees 0.15%. Denominations \$10,000. Payable in Ja (Union Bank of Switzerland.)
Caymadrid Infl	\$200	1997	liber	99.78	_	Interest will be the 3-month Libor. Noncollable. Fees 0.125%. Denominations \$10,000. (Le man Brothers Int'l.)
Compagnie Financière de CIC et de l'Union Européenne	\$100	2001	3/16	100.45		Over 3-month Libor. Redeemable at par in 1999. Fungible with outstanding issue, raising total amount to \$350 million, Fees 0.25%. Denominations \$10,000. (Sanwa Int'l.)
BBDO Canada	DM 200	2000	0.65	99.48		Over 3-month Libor. Callable at par in 1997. Fees 0.45%. Payable in Jan. (Morgan Stanks Int'l.)
Maple Mortgage Securities	ci75	2030		100		Issue split into 3 tranches: 170 million paying 0.15 over 3-month Libor until 2005, thereafte 0.40 over, reoffered at 99.955, average life 1.49 years; 133 million paying 0.18 over 3-mont Libor until 2005, thereafter 0.50 over, reoffered at 99.45, overage life 6.83 years; 112 million notes whose terms were not disclosed. Fees 0.125%. Denominations 1100,000. (Native: Capital Markets.)
Midland Bank	00[2	2000	libor	100	-	Interest will be the 3-month Libor. Reoffered at 99.73. Nancallable. Fees 0.42%. Denominations (100,000, Payable in Jan. (HSBC Markets.)
Sonar 1	£ 94	2021	0.30	100		Interest will be 0.30 over 3-month Liber until 2002, when issue is callable at par, thereafte 0.60 over, Fees 0.25%. Denominations \$10,000. Also \$16 million privately placed note (Citibank Intl.)
European Investment Bank	ITL 350,000	1999	1/4	100,30		Below 3-month Libor. Noncolloble. Fees 0.30%. Increased from 240 billion lire. (CS Firs Boston.)
Txed-Coupons	<u> </u>					
BNG	\$200	1999	8	101.58	99,85	Reoffered at 100.18. Noncallable. Fees 1%%. Payable in Jan. (Dalwa Europe.)
Centragas	\$172	2010	10.65	99. ₈₁		Quarterly, Average life 10 years. Fees 1%. (Lehman Brothers Int'l.)
Evrofima	\$100	1998	7%	101.012		Reaffered at 99.95. Noncollable. Fees 11/4%. (Dalwa Europe.)
General Electric Capital Corp.	\$200	1997	7%	101.077	99.78	Reoffered at 99.89. Nancaliable. Fees 1%%. (Union Bank of Switzerland.)
Heinz (H.J.)	\$300	1998	8	107,156	99.ea	Reoffered at 99.981. Noncollable. Fees 176%. Payable in Jan. (Goldman Sachs Int'l.)
Invergas	\$100	1999	121/2	9944		Semiannually, Nancallable, Fees I 1/16%, Denominations \$50,000, (Chemical Bank,)
Kyushu Electric Power	\$300	1999	81/8	101,292	99.53	Reaftered at 99.692. Noncallable. Fees 176%. (18.) Int'l.)
Nordic Investment Bank	5250	1997	7%	100,797	99,25	Reaffered at 99.797. Noncollable. Fees 11/2%. Denominations \$10,000. Payable in Jan. (Nomicra Int'l.)
South Airles	\$750	1999	9%	99.485	99.45	Semiannually, Nancallable, Fees 0.50%. (Goldman Sachs (nff.)
Austria	DM 500	1999	zero	72,456		Yield 6454%. Nancallable. Proceeds 356 million marks. Fees 2%. Payable in Jan. (Commerzbank.)
Spain	DM 2,500	2000	7	100.95		Reoffered at 99.20. Noncollable. Fees 2%. Payable in Jan. (Bayerische Landesbank.)
Depfa	£100	1996	8%	100.84		Reoffered at 99.865. Noncallable. Fees 11/2%, (HSBC Markets.)
General Electric Capital Carp.	£100	1996	81/4	100,874		Reoffered at 99,874, Noncallable. Fees 11/5%. (Barclays de Zoete Wedd.)
Argentaria Global Finance	FF 700	1996	71/8	101		Reolfered at 190. Noncollable. Fees not disclosed. (Crédit Commercial de France.)
Austria	ITL 100,000	1997	11	102%	100.85	Nancaliable, Fungible with outstanding issue, raising total amount to 300 billion line. Fee 136%. (Deutsche Bank.)
Istituto Bancario San Paolo di Torino	ITL 150,000	1998	zero	100		Noncallable. Redemption amount at maturity will be linked to the performance of the CAC 40 and DAX stock indexes. Fees not disclosed. (Istituto Bancario San Paolo di Torino.)
European Investment Bank	DF 200	2001	71/2	101.725	100.00	Reoffered at 100.15. Noncollable, Fungible with outstanding issue, raising total amount to 800 million guilders. Fees 1%%. Payable in Jan. (ABN-AMRO Bank.)
General Electric Capital Corp.	Aus\$ 100	1997	10	101	99.90	Noncaliable, Fees 1 14%. Payable in Jan. (Hambros Bank.)
New South Wales Treasury Corp.	Aus\$ 100	1997	442	87,394		Semiannually. Nancaliable private placement. Fees 1%%. Denominations Auss10,000. (Namura Ini'l.)
Argentaria Global Finance	Y 40,000	2001	41/2	100		Noncaliable, Fees 0.275%, Poyable in Jan. Denominations 16 million yea. (Nikko Europe.
According	¥ 15 000	1007	7.0	0014		

Last Week's Markets Money Rates Stock Indexes Upited States Dec.9 Dec.2 **United States** 3.67.11 3245.22 — 1,46 % 179.34 179.41 — 0.04 % 1,30.97 1.436.40 — 3.66 % 417.39 422.04 — 1,10 % 414.36 453.30 — 1,60 % 530.26 533.30 — 1,50 % 244.17 243.01 — 1,55 % Prime rate DJ UHI. Federal funds rate 57/16 S & P 500 S & P Ind NYSE Co Discount Call money 23/76 25/76 23/16 25/16 Britain FTSE 100 FT 30 2977.30 3.017.30 -- 1.33 %

Bank base rat 45/14 å 15/1å Dec. 2

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Eurobond U.S. & loog term U.S. & melm term U.S. & short term Pounds sterling French francs Ifolian Irr Danish krana Swedish krana ECU, loog term ECU, melm term Can. \$	Dec. 9 8.41 8.10	0 - 2 Yr k 6.48 B 8.19 8 7.54 7 9.14 9 8.07 8 11.08 11 8.28 6 10.66 11 8.50 8	ishYr low A8 0.21 120 5.45 A7 4.88 A1 6.26 24 5.87 20 7.51 74 6.20 23 7.94 84 6.18 89 5.81		Cedel \$ Mon 264.30 75.6 - 7.8 844.90 2.542.2 1109.20 2.645.6 Orricel	S S 0 1,188,20 - 155,00 0 155,00 0 10,330,90	399
Aus. \$ NZ. \$ Yen Source: Luxemi		10,44 10, 9,17 9, 4,57 4,	A4 659 ' A) 5.99 B4 287	FRNs 10,1 ECP 5,6	79,00 603,9 17,80 1,883,3 97,20 13,011,4 13,40 31,533,9	0 29.491,00 0 1,279,00 0 28,724,20	4,855
	month 6Va 5Na	3-month 636 57/16	4-month 6% 51/2	French frenc ECU	1-month : 59/16	3-month 574	Der 6-mm

issue split into 1) tranches, with maturities ranging from 1997 to 2005, 5%, and including a zero coupon tranche and a floating rate note. Denominations 50 million yea. (Dalwa Europe.)

Semiannually, Nancallable, Convertible at \$30.68 per share, an 18% premium. Fees not disclosed. Payable in Jan. (NatWest Securities.)

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International Herald Tribune, Monday, December 12, 1994

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Flagship Fund Finds Itself Section of the sectio Sailing in Riskier Waters

By Floyd Norris New York Times Service

EW YORK - There is an old Wall Street tale of a customer who buys a thinly traded stock, sees it rise and buys some more. The more he buys, the higher the price goes, until finally he decides it is time to take some

"Sell," he tells his broker. "Yes, sir," replies the broker. "To whom?"

Perhaps it is time to fear that a similar fate is awaiting the largest investor of them all, the \$36 billion Fidelity Magellan Fund. Jeffrey Vinik, 35, portfolio manager, has been placing big bets by buying 10 percent and more of the outstanding shares of quite a few

companies. So far, that hasn't hurt; it probably has helped as Magellan has moved the stocks he buys go up and up. But what, you might wonder, will happen when he wants to

to concentrate holdings.

Mr. Vinik says he is careful.

"When I buy a stock, I buy it slowly over time," he said. "When I sell it, I sell it slowly." Magellan's buying of Oracle Systems Corp., a software company, is "representative of how I do it," Mr. Vinik said.

Over a six-month period ending in September, he bought 12.6 million shares, or about 100,000 shares for every day the market was open, and the stock rose 33 percent. Fidelity now owns 10 percent

Any large fund has to take some big positions, of course, but Magellan under Mr. Vinik has made a specialty of it. Magellan had less than 4 percent of its assets in such concentrated positions when Mr. Vinik took over in the summer of 1992. Now the figure is 45

That means that when Mr. Vinik decides to sell a stock, he will often be selling into a market in which he is an important player and in which even a rumor that he has turned negative could

"It doesn't bother me at all," he says of the concentration. Nor is he worried that the boom in personal computers, on which Magellan has bet big, might slow down.

Mr. Vinik's strategy this year appears to have been to sell his losers while holding onto and adding to his winners. That is one reason the fund will pay no capital gains distribution this month, a disclosure that embarrassed Fidelity because it had previously estimated the fund had \$2.4 billion of such gains.

Magellan had a great 1993, but is down 6.8 percent so far this year, including a 3.1 percent fall last week.

If Mr. Vinik is right about the stocks he is concentrated in, the fund could recover. But if he is not, he may find that selling the losers makes the losses even greater. Because of the concentration, owning Magellan is a lot riskier than it used to be.

Asians Reach Again for High-Tech's Cutting Edge

Goldstar Tries to Muscle Into LCD Market

By Steven Brull

nal Herald Tribios of Seoul ought to be stressed out. Swathed in the liquid crystal displays that are fast becoming

ubiquitous in high-end notebook computers.
The clock is ticking. Their bosses have already ordered hundreds of millions of dollars of production equipment and are determined to grab 7 percent of the world market in a few years.

Yet, as the technicians step out of the cleanroom and shed their masks, there is banter. Despite being a step behind their domestic rival Samsung Electronics Co., and two steps behind the Japanese, there is overwhelming confidence that South Korea will manage to muscle its way into the Japan-dominated market for active-matrix LCDs, just as it has for semiconductors, consumer electronics, ships and automobiles.

"In terms of technology, there's no doubt that we'll catch up with Japan," said Cho Kwang Ho, the senior managing director of Goldstar Co. Ltd.'s LCD division. "The Japanese are afraid."

In a manufacturing process so expensive and exacting that the U.S. Defense Department plans ANYANG, South Korea — Technicians at to spend about \$580 million by 1999 to strength-Goldstar's research facility here on the outskirts on American manufacturing of LCDs, the South of Seoul ought to be stressed out. Swathed in the light-blue bunny suits that attempt to soften the sterility of the cleanroom, they are rushing to work out the kinks in the manufacturing of color and piles of cash, which the companies, both among South Korea's biggest chaebol, or con-glomerates, can cull from highly protected domestic business interests ranging from insurance

> The combination, analysts say, gives the South Koreans a strong chance of elbowing their way into LCDs just as they did memory chips, even though the Japanese, having seen their profits and market share in semiconductors slide as a consequence, have refused to transfer any LCD technology. Using aggressive pricing, the South Koreans, who entered the memory chip market a decade ago, now enjoy a market share greater than 25 percent. Samsung has become the world's biggest memory chip supplier.

> "As a new entrant we'll have to absorb some portion of the penetration price, but we won't be

> > See LCD, Page 13

A Chipmaker's Gamble Pays Off in Taiwan

By Kevin Murphy International Herald Tribune

TAIPEI - Like the rest of Taiwan's computer industry, Morris Chang can't sit still. Several years of explosive growth should only be a prelude to more of the same.

In computer keyboards and mouses, mother boards and monitors, Taiwanese manufacturers have grabbed major shares of world markets in their respective fields, cumulatively expanding from about \$2.3 billion in sales in 1986 to \$10.8 billion last year.

And that's what Mr. Chang, a Shanghai-born, American-educated engineer who rose to the top ranks of the U.S. computer industry before moving to Taiwan, envisions for the nation's integrated circuit makers, the business where the real

money — and real risk — is these days.

Mr. Chang, who headed Texas Instruments Inc.'s semiconductor business before becoming General Instrument Corp.'s chief executive officer, now finds himself a leader of Taiwan's assault on the world's computer chip markets. As chairman of Taiwan Semiconductor Manufacturing Corporation, Wyse Technology Inc., a maker of personal computers, and Vanguard

International Semiconductor Corp., Mr. Chang,

63, embodies the brain gain and restlessness that has put Taiwan in contention in so many markets

so quickly.

Disenchanted with the mergers and acquisitions frenzy in the U.S. industry in the 1980s and eager to work in Chinese society after 36 years in the United States, Mr. Chang agreed in 1985 to head Taiwan's Industrial Technology Research

Institute, a government-funded laboratory. The Taiwanese government has extended sub-stantial assistance in the form of tax holidays, R&D grants and cheap loans to the information industry in a bid to create the high-tech exports needed to replace the low-skill manufacturing work being lost to other Asian countries.

"Taiwan has to choose what kind of industries it wants to specialize in. Right now it is a big personal computer maker and a big monitor maker, both of which are under pressure because

their value-added is lower," said Mr. Chang.
"The industry should probably go upstream, building the key components. It's making good progress in integrated circuits and there are opportunities in display components, flat panels and CRTs. They'll be around for a long time,"

See CHIP, Page 13

Orange County Is Not Alone

LOS ANGELES - Wal-

worth County, a southeastern Wisconsin region of dairy farms, lakes and subdivisions, has as much to do with upscale Orange County, California, as cheddar cheese has to do with

But the two share one thing. They both have seen the value of their investment funds drop dramatically as a result of risky bets on mortgage-backed derivative securities.

plunged as a result of its finan-cial straits and resultant bankcial straits and resultant bank-ruptcy filing, Walworth Coun-depear to be edgy about their Standard & Poor's. "But we are ty's own double-A bond rating money. Municipalities pulled in the process of doing a scan."

LITTIZ. Pennsylvania –

House, the first U.S. pret-

company has grown more than eight-fold in the last

two decades as it com-

bined tourism with the

phenomenal popularity of

pretzels in a health-con-

other baked goods.

By Mitchell Martin

two-story houses, East Main Street in Lititz

resembles a Norman Rockwell painting of

small town America. The only thing that

seems out of place is the four-foot-tall pretzel

in front of 219, the home of the Sturgis Pretzel

el bakery.

The family-run Sturgis

BUSINESS

scious, fat-averse America. According to the

Snack Food Association, pretzel sales jumped

25 percent in 1993, to \$1.1 billion, far outpac-

ing the rises of other kinds of snack foods.

Because they are baked, not fried like potato

chips, pretzels contain little or no fat.
Julius Sturgis was a baker in this town, on

the northern fringe of Pennsylvania Dutch country, in 1860. The company legend is that

a hobo passing through town in that year traded a German pretzel recipe for a meal one day, and that by 1861 the bakery's four ovens were all producing pretzels, having forsaken

Burns road the rails, even when I was little," said Barbara Tschudy, whose husband, Clyde, bought the company in 1970.

Bums would come to the door and ask for a

sible downgrading on Friday by Texas's investment pool on Fri-

Moody's Investors Service. number of municipalities reaping the whirlwind after sowing was down to about \$3.3 billion. the seeds of risk by borrowing Meanwhile, credit rating sertoo heavily, investing in dicey securities, or both

country since Orange County's quietly begun to re-evaluate the ing communities in Texas, Flor-municipalities. And like Orange County, ida, Kentucky, Maine, Mary-whose bond ratings have land, Illinois, Wyoming, West Virginia and elsewhere.

Turning Pretzels to Profit

Health Fad Buoys Family-Run Bakery

– With its neat

was placed under review for pos- \$326 million out of the state of day after a published story drew The pattern disturbs bond unflattering analogies between analysts, who see a growing it and Orange County's fund. At the end of the day, the fund

vices, which have come under critical fire for underestimating Reports of investment losses the exposure of Orange County have appeared around the and other communities, have debacle became known, affect- credit worthiness of various

"Out of the 50,000 issuers across the country, we think it is a fairly isolated event," said Mi-

the baking operation, while his son Michael

and daughter-in-law Holly keep an eye on the

For more than a century, the four coal

ovens were used to bake pretzels, which are

popular with the German people who settled

this part of eastern Pennsylvania. (The Dutch

in Pennsylvania Dutch is a corruption of

deutsch, the German word for German.) In

the mid-1960s, a gas-powered oven was in-

stalled to bake most of the pretzels, although

hand-made soft pretzels are still done in the

the previous owners started giving tours of the factory, taking advantage of visitors to the

region's Amish and Mennonite attractions.

Tourists now account for about 50 percent of

the company's sales, Michael Tschudy said.

The traditional commercial baking is now just

20 percent of the business, with mail order sales comprising the rest. Mr. Tschudy said annual revenue was about \$100,000 in 1970.

when his father purchased the company, and it peaked at \$1 million in 1992. But the

company has suffered slightly from its own success, and sales last year fell to \$800,000, which is the likely level this year as well. Mr. Tschudy said Sturgis had been doing

private-label baking for a larger snack food

company. That customer wanted Sturgis to devote all its time to the private-label work, and when the Tschudy family refused, it of-

fered to buy the company. Barbara Tschudy

Mrs. Tschudy said that around that time,

ess end with Barhara. Overall.

pany usually employs 13 people.

original ovens.

5 Arrested In Chinese **Fraud Case**

Agence France-Presse BELIING - The police in the northeastern city of Dalian have arrested five people for embezzling about 360 million

day for allegedly raising the clude Chile capped a three-day money from local investors by meeting of leaders from across offering interest rates well above levels for bank deposits, the China Business Times reported.

About 170 million yuan earned "by the sweat and blood of numerous investors" was allegedly squandered on luxury cars and other extravagances,

the paper said.
Mr. Sun went into business in 1980 with a 600,000 year bank loan as the director and president of the Dalian Hongxiang Commercial Development Co., which boasted numerous brick

factories all over China - all of which were losing money. raised increasingly large sums Trade Area of the Americas, of money by offering investors which would liberalize trade interests rates of up to 19.2 per- from Alaska to Argentina withcent, 80 percent higher than the in the next decade. prevailing bank deposit rate, the newspaper said.

The Dalian government, and the spirit of the summit complying with an order from Beijing, launched a campaign in de León, the president of Mexi-March to stamp out illegal money raising and sent repeated warmings to Mr. Sun to end his activities and pay back in-

vestors, it said.
He informed investors in May of a six-month delay in interests payments and allegedly moved more than 6.6 million yuan and \$200,000 abroad before buying plane tickets, the paper claimed.

Western Leaders Pledge to Create Giant Trade Zone

MIAMI — A pledge to negoyuan (\$42 million), a report said tate a gigantic open-trading Sunday.

Sun Hongxiang, 57, was among those arrested last MonFree Trade Agreement to in-

the Western hemisphere. U.S. President Bill Clinton on Sunday called the Summit of the of traditional differences. Americas an extraordinary mo-ment of opportunity that "more than fulfilled our expectations."

"Future generations will look back on the Miami summit as a moment when the course of history in the Americas changed for the better," he said. Mr. Clinton and the leaders

of Mexico and Canada said negotiations to include Chile in NAFTA were set to begin by May 1995. Leaders from all 34 countries represented at the

In a series of speeches, the leaders applauded themselves co, said the summit opened "a new era in our history." President Itamar Franco of Brazil declared that it would "usher in

a lasting era of peace and un-derstanding."

In addition to the trade

laundering, and steps to promote democracy, education and health care. Warren M. Christopher, the

U.S. secretary of state, said there had been an "extraordinary degree of economic and political cooperation among the governments with a variety

Eduardo Frei, the president of Chile, said the fact his country would join NAFTA proved the Summit of the Americas produced tangible results. He said the benefits his coun-

try would reap by joining NAFTA outweighed changes Chile would have to make in its "management style" to be in-cluded in the North American zone.

"I believe this agreement will not only unleash historical profits for Chile but also for world." Mr. Frei said.

Mr. Clinton echoed that sentiment

"From the leaders of our hemisphere's largest economies to the smallest, we believe the rewards will be great and very much worth the effort," that lies ahead on the free-trade deal, Mr. Clinton said.

After the summit meeting closed, the president of Bolivia, Gonzalo Sanchez de Lozada, announced that his country would host a November 1996 plans, the leaders adopted a hemispheric meeting on "susprogram listing more than 100 tainable development," or the action issues, including envi-ronmental cooperation, mea-ment in harmony with the envisures against corruption, nar- ronment. (AP, Knight-Ridder)

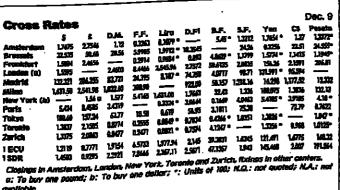
THE TRIB INDEX International Herald Tribune 114 World Stock Index, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Week ending December 9, daily closings. Jan. 1992 = 100. industrial Sectors/Weekend close Capital Goods 111.54 112.19 -0.58 Energy 111.20 112.04 -0.75 Parw Materials 127.55 128.11 -0.44 Utilities 124.24 122.57 +1.36 Consumer Goods 101.44 102.71 -1.24

CURRENCY RATES

Services 110.05 111.31 -1.13 Miscellaneous 112.05 113.88 -1.43

The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Argentism, Australia, Austria, Belgium, Brazil, Canada, Chile, Denmark, Finland, France, Germany, Hong Kong, Italy, Medico, Natherlanda, New Zasiand, Noway, Singapore, Spain, Sweden, Switzerland and Venezueta. For Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization, otherwise the ten top stocks are tracked.

Finance 110.93 111.84 -0.81

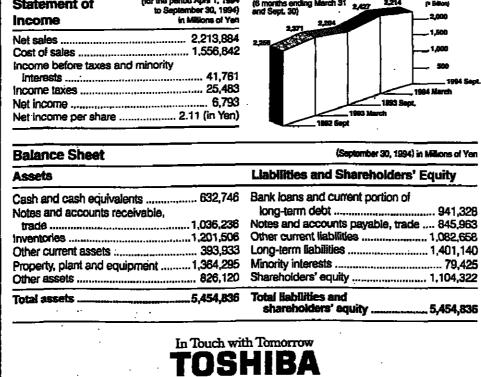


Other Dollar Values Per 5 3,4495 1,5773 Carvency Per 5
Arsent, seas 0,979
Arstruct, \$ 1,2928
Arstruct, \$ 1,1107
Broad real 0,55
Chinese years 2,5113
Carch lorons 22,20
Chinese years 2,5113
Carch lorons 22,20
Chinese years 2,513
Chinese years 2,513
Chinese years 3,513
Chinese years 4,513
Chinese years 4,51 Currency Feb. Max. 9850 1,475 8L Zedond S 1,5773 86rw, krone Phil. peso 2419. Pert. secudo 141,52 Russ. rubie 306,00 Soudi rivol 3,7506 Sins, \$ 1,47

34-467 1,5991 1,5796 1,3378 76-007 1_5591 1_5769 1_3324 69-do7 1.5593 1.5784 1.3345 Sources; ING Bank (Amsterdam); Indosuez Bank (BFU (Milan); Agence France Presse (Paris); Bank of Taki (Teronto); IMF (SDR), Other data from Reuters and AP.

said the offer was rejected. sandwich." Tourists coming to the store can buy a six-pound bag of plain pretzels for \$3.98, and Mrs. Tschudy said 60,000 such bags are sold The Tschudy family is related to the Stur-gises, who sold the company in 1948, she said, although Lewis Sturgis, a son of the founder, worked at the company until 1975. Clyde runs

Statement of Income	(for the period April 1, 1994) to September 30, 1994) in Millions of Yen	and Sept. 30)	(* 6 8 00) 2,000
Net sales	2,213,884	239	_ 1,500
Cost of sales	1,556,842		1,000
Income before taxes and m	ninority		500
interests	25,409		1994 S
Income taxes	6 709	1993 Sect	4 March
Net income Net income per share	2.11 (in Yen)	1963 March 1962 Sept	
Balance Sheet		(September 30, 1994) in	Millions of Yo
Assets		Liabilities and Shareholders' E	quity
Cash and cash equivalents	632,746	Bank loans and current portion of	
Notes and accounts receive	abie.	long-term debt	
trade	1,036,236	Notes and accounts payable, trade .	845,96
inventories	1,201,506	Other current liabilities	
Other current assets			
Property, plant and equipm	ent 1,364,295	Minority interests	79,42
Other assets	826,120	Shareholders' equity	. 1,104,32
Total assets	5,454,836	Total liabilities and shareholders' equity	5.454.83





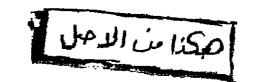
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ALWEST INTERPRETATIONS



China Moves Secret Cold War Industries

By Patrick E. Tyler
New York Times Service

MIANYANG, China - Fearing nuclear attack from either the United States or the Soviet Union, China in the mid-1960s undertook what was perhaps the largest industrial relocation in histo-

ry to protect its strategic factories. Now, more than 20 years after World War III failed to occur as Mao Zedong had predicted, some of the country's top scientists and engineers are still trickling down from production lines in remote mountains and caves to gleaming cities like this one in south-central China

They are designing television sets, fax machines, satellite receivers and, perhaps, the battery system for the next electric car. They are also setting up factories and sending delegations to New York seeking investment capital for these high-technology ventures.

"You know, there are many things in common with the manufacture of bombs and in the manufacture of automobiles," said Zhu Senyuan, 48, a computer automation specialist at a military institute now helping 600 factories across China convert armaments lines to commercial production.

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But many of the factories are outdated or redundant, and despite their relocation to cities on the plains, they are far from potential markets as China tries to restructure its economy.

Under Mao's policy, hundreds of key

industries were relocated in the 1960s gled up in directing resources to these and took so long, 15 years in some cases, and 1970s to remote canyons and caves remote sites that they never could comand 1970s to remote canyons and caves in northwestern and southwestern China. The cost of the top-secret program was staggering. Barry Naughton, an economist at the University of California at San Diego, has estimated that during the peak years China was spend-

Many of the factories are outdated and despite their relocation to cities on the plains they are far from potential markets.

ing 40 percent to 50 percent of its national investment resources under the so-called Third Line policy, and that it had sent hundreds of thousands of workers to the mountains, where they chiseled out caverns and tunnels for railroads, transported machinery and erectcd assembly lines.

"It very substantially slowed down China's economic growth and on some levels contributed to the collapse of central planning," said Mr. Naughton, a specialist on China's economy who has conducted one of the few studies on the

Third Line and its impact. Beijing's central planners "got so tanplete these projects or make them eco-nomically viable," he said during a re-Today, the plants are still being dismancent visit to China.

By the time the Third Line was completed, Mao had died.

"The decision by Mao to build the Third Line was a big mistake," said Hua Di, a rocket scientist who spent months living in Third Line bases testing China's first strategic nuclear missiles. He now lives in California. "We have wasted a lot of money by building this Third Line," which, he added, gave China little additional security.

"If you have a rocket program, and a bomb or missile falls on just one of the many component factories, then you have no program," Mr. Hua said.

In its heyday, planners of the Third Line ordered steel mills, nuclear weapons plants and huge truck assembly lines, first built in coastal provinces or near borders with the Soviet Union, disassembled and transported over treacherous mountain roads or paths to what Mao thought would be an impregnable "rear base," or "third line of defense" to sustain a Chinese war effort. The "first" line was China's coastal defenses; the are just breaking even and the last third "second" line was a fallback position on are in very bad shape." the central China plain.

still radiating into the present because very much depends on sustained high the construction was so large in scale growth in China's economy.

tled, abandoned or turned to other uses.

There is a major investment in this

region," said Cheu Zhixiang, deputy director of the Mianyang economic and planning commission, "but the problem is that the investment is spread out through canyons some distance from the city. Our production and research bases are located in the mountains and accessible only over very difficult roads."

Even Mianyang is difficult to reach. The 100 kilometers (60 miles) of winding two-lane road from Chengdu, the pro-vincial capital, can take four hours.

Today, much of the burden of finding employment for the Third Line work force has fallen on the governments of inland provinces, whose economies are not as strong as those in the coastal belt.
Governor Xiao Yang of Sichuan
Province said that while the prospects

for the best of the Third Line factories were good, nothing seemed certain about the bulk of the rest. "The state of the Third Line industries is that one-third of them are doing very well," he said, "but another third

With two-thirds of these industries at The consequences of the program are break-even levels or worse, their future

The Week Ahead: World Economic Calendar, Dec. 12 - 16

A schedule of this week's economic and financial events, computed for the international liverald Tribune by Bloomberg Business: up 0.2 percent in month, up 2.5

e Bec. 12 Sydney Australian retail sales figures for October. Forecast 2.8 percent gain. Building starts for the Julyparter.

Bydney Money supply tigures for Octo-

 Bec. 13 Tokyo Machinery orders for October. Steel production during No-vember. Benk of Japan to release wholesate price index for November.
Wellington Reserve Bank of New Zealand to release biannual report on monetary policy. Food prices for November.

Bec. 14 Hong Kong Government to auction two pieces of land in the New Territories area.

Tolino Bankrumcies destan Mauranham tale price index for November

Tokyo Benkruptcies during released by Tokyo Shoko Res

Telkoku Date Sank. Wellington Labor cost index for July-Saptember quarter. e Dec. 15 Sydney Westpac-Mel-bourne Institute leading economic index for October. Hong Kong Government to issue job-less figures for the three months from

September through November, Tokyo Bank of Japan to release Novem-Tokyo barn un unpuber noney supply.
ber noney supply.
e Dec. 16 Tokyo Bank of Jepan Governor Yasushi Mieno's five-year term ends. He will be replaced by Yasus Materials axecutive adviser of Sakura

Europe

Forecast: up 0.2 parcent in month, up 1.8

Forecast: up 0.1 percent.

index. Forecast: up 2.8 percent in year. October producer price index. October retail sales volume.

liturt October retali sales. For

down 0.8 percent. Wast German October retail sales. Forecast: up 0.5 percent in Rome October industrial production. Forecast: up 5.0 percent.

• Dec. 14 Boon Finance Minister

Leadon November retail price index.
Forecast: down 0.1 percent, up 2.4 per-cent in year. November unemployment.
Forecast: down by 30,000. November av-enge earnings. Forecast: up 3.75 per-

Dec. 15 A

dex. Forecast: up 0.1 percent in month, up 2.1 percent in year. London November retail sales. Fore-cast: up 0.2 percent in month, up 3.1 percent in year. Americas



releases its weekly survey of ore sales at U.S. department, dis-

consumer price index. The Federal Re-serve reports November industrial pro-duction and capacity utilization. Third-quarter current account balance. The

for October. Winter 1994 perspectives on labor and income report.

• Dec. 18 Philadelphia The Philadelphia Federal Reserve releases its monthly survey of economic activity for December. Washingfor The Commerce Department reports October business inventories and sales. November money supply. The Labor Department reports (Albeitstein) weekly state unemployment comprision insurance claims.

Bee, 16 Washington November housing starts and building permits.
 Ottains Consumer price index report for November. Travel report for October.
 Amn Arbor, Michigan The University of Michigan telesses its preliminary con-sumer sentiment index for December.

For Brave Investor, Former Soviet **Bank Debt Beckons**

New York Times Service

NEW YORK - It is hardly for the faint of heart. But some traders say that the former Soviet Union's \$26 billion worth of commercial bank debt, which is trading on secondary markets for around 32 cents on the dollar, could prove a good bet for investors with the stomach to hold it for the long term.

The loans, one of several classes of Russian debt that are traded in Europe and the United States, have been a volatile investment for several years and the coming months could bring more of the same.

But if Russia, which has taken responsibility for the Soviet Union's debts, can finalize an agreement with its 600 commertial bank lenders to stretch out repayment, traders said the value of the debt, which is mainly bought and sold by institutional investors, could surge.

The value of the

bank consortium, led by Deut-sche Bank AG, for a rescheduling package that included a \$500 million payment by Rus-sia for past-due interest to be made by the end of this year. But when the ruble crashed in

October and the Russian government's economic policy threatened to run off course, the price of the debt began sinking again, a process that was accelerated when President Boxs N. Yeltsin named Oleg D. Davy-dov as his new chief debt nego-

In his previous job as trade minister, Mr. Davydov horrified the debt holders by suggesting that Russia should seek to have

crease in foreign bond pur-

has again started to flow out of

Japan.
But Jim O'Neill at Swiss

Bank Corp. in London, warns that the report is "highly mis-

leading" because it includes

Japanese purchases of Euroyen

bonds. "Japanese investors re-

any foreign exchange risk," he

Even Japanese bankers, who

By Richard W. Stevenson some or all of its loans forgiven. Mr. Davydov has since back-

tracked on his idea of canceling some of the debts, but in the markets the damage was al-ready done. The bank loans sank to around 28 cents on the dollar last month before rebounding slightly.

The price is now about 32 cents and traders said it had remained firm at those levels on reports that there has been buying from Russia. Traders interpreted the Russian buying to mean that government insiders think finalization of the deal is within reach and are taking positions on expectations for the Drice to rise.

"At these levels we have tended to find that there are some players who will step in and buy as a long-term play," said Bob McCarthy, the head of Eastern Europe trading at Morgan Grenfell in London. "They feel that eventually there will be a deal."

Few investors are taking anyhas swung in the past 12 lion interest payment agreed to months from a high of around 50 cents on the dollar down to half that and then back up above 40 cents in early October. ently eager to ease the fears of the world's bankers, has not yet sian government announced an revealed much about his negotiontline agreement with the ating position or how it might differ from that of his predeces-

sor, Alexander N. Shokhin. Traders said they expected Mr. Davydov to move relatively quickly to complete a repayment agreement

"I believe the Russians recognize that they need to get this behind them because they are starving for capital," said Nicholas Jordan, a trader at Chemical Bank in London. They recognize that there's a limit to how much capital will come into their country until they get some of the foreign debt prob-lems out of the way. I think it will be sooner rather than later, but there are still some substantial issues to be dealt with."

Argentina, which just raised 15 billion yen, is scheduled this week to make its maiden entry

into the Eurofranc market with the sale of 1 billion French

South Africa, which last week

with a global offering of \$750

million of five-year notes, is ex-

pected early next year to issue

francs of three-year notes.

SHORT COVER

Investors Shun Oriental Offering

HONG KONG (Bloomberg) — Oriental Metals (Holdings) an companies importing the said Sunday that its initial offering of shares was only 59.24 vast majority of their producpercent subscribed, leaving the rest in the hands of underwriters.

The company is a subsidiary of ONFEM Holdings Ltd., an from Japan, there is virtually no investment company controlled by the state-owned China National Nonferrous Metals Industry Corp.

Concerns about the impact that high inflation and austerity hope that strong demand for measures introduced to control it will have on corporate earnings LCDs will minimize the dishave caused international investors to lose their interest in Chi-

Kmart Readying Plan to Cut Jobs

DETROIT (Bloomberg) — Kmart Corp. may announce as early as Monday the layoff of hundreds of workers at the company's headquarters in Troy, Michigan, the Detroit News reported. The company confirmed that executives held meetings Saturday and Sunday to try to decide how to cut as much as \$600 million next year from Kmart's \$8.5 billion budget. Joseph Antonini, the chairman of Kmart, said last month that some jobs would be cut as the company eliminated redundant processes.

China Vows to Expand Trade Plan

BEIJING (AFP) - China, in a bid to increase its chances of rejoining the General Agreement on Tariffs and Trade this year, said Sunday it would expand bidding for export quotas to enhance trade transparency and fairness.

Tang Wei, an official with the Ministry of Foreign Trade and Economic Cooperation, said the bidding system, first introduced line without any defects. In pin world's top 5 suppliers by the in February, "has reaped initial success in curbing freewheeling lot production, executives say year 2000," Mr. Shi said. "Our production world in the bidding system, first introduced line without any defects. In pin world's top 5 suppliers by the introduced line without any defects. In pin world's top 5 suppliers by the production, executives say price wars that often involve China in international dumping their yields are already compa-

LCD: Goldstar Moves Into Market

Continued from Page 11

a cheap player," said one Goldstar manager.
Indeed, with the South Kore-

on production cost. But they counts they must offer to win business from Apple Computer Inc., Compaq Computer Corp. and other major assemblers, mostly American, that they are courting.

The aggressive move into the market by the South Koreans could help to lower prices for notebook computers. The wholesale price for 10-inch (2.6centimeter) color active-matrix creens will fall from about \$1,200 at the beginning of 1995 to \$900 by the end of the year, according to Shi Seung Woon, Samsung's senior sales manager for LCDs.

But it remains unknown how quickly the South Koreans will be able to increase their yields the percentage of screens that come off the production

lysts say they may encounter unforeseen problems in mass production.

More daunting, there is the possibility that other types of color displays that are simpler and cheaper to produce will become dominant, mak ing LCDs attractive only for the most expensive notebook com-

Both Goldstar and Samsung are investing about 500 billion won (\$625 million) over several years to equip new LCD fabrication plants outside Seoul. Goldstar will make screens for notebook computers as well as smaller panels for car navigation, audio-visual and other equipment

Samsung aims to concentrate on the top end of the market. It plans to mass-produce 10-inch screens next February and boost output to as many as 60,000 units a month by the end of the year. Later it will diversify into other types of screens. aiming to grab 10 percent of a global active-matrix LCD market it values at \$16 billion in the year 2000.

"We intend to be among the minimum target for market

CHIP: Taiwan Gamble Pays Off

Continued from Page 11

Mr. Chang said. CRTs are cath-ode ray tubes.

toward commercial success. But seeing an enormous opportuni-ty, Mr. Chang convinced the Taiwan government and Dutch rate success story," said Jona-

fab well," said Mr. Chang, in the industry parlance for a chipmaking factory. "And I thought Taiwan possessed many of those requirements."

In seven years, that business, TSMC, has grown and is forecast to make a 8.2 billion Taiwan dollar (\$311 million) profit this year and 13.3 billion Taiwan dollars in 1995, according to HG Asia Securities Taiwan Ltd. TSMC restricts its business to contract to other companies.

World-class engineering, low salaries for highly trained technicians and economies of scale have combined to make TSMC Originally his job was to help steer a government-backed research and development effort on the largest "pure foundry" business in the world with an estimated 12.6 percent global market share.

"Taiwan Semiconductor represents an unparalleled corpoelectronics giant Philips Elec-tronics NV to set up the world's first independent chip foundry. with a \$46 million initial invest-"I knew what it took to do a ment that has allowed Taiwanese chip design houses to lessen their dependence on foreign manufacturers.

To remain ahead of the pack, TSMC will spend between \$300 and \$500 million a year over the next three years in a bid to dou-

ble capacity.
With still more expansion in mind, TSMC has taken a 25 percent stake in another ITRI spin-off, Taiwan Sub-Micron Laboratories, the country's making mostly logic chips under most advanced semiconductor

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The final decision ought to be made by February 28, 1995, by the General Assembly of the Municipality of Budapest.

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CHATIONAL WAS A BusinessWeek

FED: Inflation Data Pose Threat

Continued from Page 10 fixed-coupon Eurodollar bonds cant recovery, and data for October showed a \$10-billion increase in foreign bond purforms are looking

main remarkably loath to take reentered the dollar market

were lead managers in \$850 mil-lion of the \$2.3 billion worth of billion yen.

chases, suggesting that capital at foreign currency bonds.

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PRIVATIZATION

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COMING TO TERMS WITH ECONOMIC REALITY

Despite criticism, Saudi Arabia maintains its economic strength.

Dignificant changes are taking place Saudi Arabia holds more than 25 perin both the public and private sectors as cent of all global oil reserves. the government, strapped for cash over the past two years, tries to come to terms with its present economic posi-

The situation is a result of several factors: the Gulf War's exceptional costs, an estimated \$77 billion, of which more than half was paid by Saudi Arabia; a slump in world oil prices; and an expected overall aggregate current-account deficit in 1991-1996 of \$96 billion, according to International Monetary Fund estimates

The situation is exacerbated by the substantial defense spending in the past four years, amounting to well over \$30 billion, much of it linked to offset programs with the United States, Britain and France. Over the past four years, the kingdom has gone to the international banking system to borrow a total of \$7 billion. Banking sources suggest further borrowings may be needed in

Responding to criticism

International criticism of Saudi Arabia's overall economic position following visits by International Monetary Fund teams and U.S. Treasury Secretary Lloyd Bensen have been pushed aside by King Fahd, Ibn Abudi-Aziz, the Custodian of the Two Holy Mosques and ruler of Saudi Arabia.

In a recent broadcast, he insisted that the economy was still strong and that he would keep his pledge to privatize important state-owned sectors. There have been a lot of harmful campaigns against our economy," he said. "But thank God, our economy is still strong, and we do not have major problems. We have and are still spending billions of dollars in subsidies to housing and farming and in loans and grants to Arab and other countries."

Role for private sector

For the past decade, the government has been urging the private sector to play a greater role in the development of the kingdom, particularly in the public sector. Saudi Arabia is now the world's largest oil producer. With production of more than 8 million barrels a day, it has overtaken the former Soviet Union oil producers. Oil revenues are expected to fall to about \$38 billion this year. While bankers may be expressing doubts about the kingdom's current financial position, most analysts point out that it has to be remembered that

Attempts to diversify the economy, increase the added value of downstream petrochemical products and improve the manufacturing and agricultural export base are now bearing results. Non-oil exports have risen from \$6 billion in 1987 to \$8.4 billion in 1992, according to an analysis by the Abu Dhabi-based Arab Monetary

Moves to attract capital
Earlier this year, King Fahd told a Riyad University graduation audience that the private sector now contributed 35 percent of the kingdom's gross domestic product. "The government intends to attract national capital into its productive institutions," King Fahd

He envisaged a move that would enable private investors to buy into certain state entities, in which the govern-. ment would retain only a minority in-

A package of new incentives for private investors has been announced in the forthcoming Five-Year Plan in or-der to attract a greater return of capital invested overseas. The plan is also seeking more foreign investment, in the forms of both cash and transfer of technology. It has always been an objective of the offset programs to encourage defense contractors to provide the basis for new high-tech industries.

Massive excess liquidity'

While public finances may be in disarray, there is no shortage of private funds in the banking system. Henry Azzam, chief economist of the National Commercial Bank, said at the IHT Oil and Money Conference in London last October: 'There is massive excess liquidity in the Saudi financial system. Most of it ends up in interbank deposits overseas. These funds can be absorbed in the kingdom and used by the private sector - and the government, to finance its deficit." Other bankers in the kingdom suggest that excess liquidity amounts to around \$30 billion to \$40 billion. According to the Saudi Arabian Monetary Agency (SAMA), total bank deposits at the end of 1993 stood at 183 million riyals (\$49 million), compared with 143 million rivals at the end of

Lack of suitable financial instru-

Continued on page 15

Ardold

THE ONGOING DEBATE OVER PRIVATIZATION

Will Saudia, Sabic and other state entities soon open to private investment?

Continued diversification of the ty as well as chairman of Sabic, said kingdom's economy and greater involvement by the private sector are priorities in the sixth Five-Year Plan (1995-2000), which takes effect next January. Although weaker oil prices have accelerated moves to sell off some state entities, some confusion still exists over which companies or industries will be available for private in-

We will sell some successful government projects to nationals," said King Fahd in a Middle East Broadcasting Center television interview this summer. "It is time for the citizens to participate in some projects like telecommunications, water, electricity and other sectors."

Giant state entities

The government has also stated that public bodies for privatization might include Saudia, the national carrier, and some of the electricity-generating companies.

There is uncertainty about whether the giant state entity, Saudi Basic Industries Corporation, will be open to private investment; Sabic has 18 world-class plants, mainly in the petrochemical sector.

Any investment in Saudia, which has one of the world's biggest jet fleets and is about to undergo a major fleet renewal, would most likely be limited to nationals of Saudi Arabia and possibly Gulf Cooperation Council country na-

Some analysts believe it might be possible that some utility services, like water and power, may be let on a buildoperate-and-transfer system if any improvements or extensions are made under the new Five-Year Plan. An ideal candidate for BOT would be AT&T's \$4 billion nationwide telecommunications project.

Mixed messages
There have been many mixed signals this year about the extent and implementation of privatization and exactly how it will be carried out.

Abdel-Aziz Al-Zamil, Saudi Arabia's minister of industry and electrici-

that the government would not necessarily maintain a stake in the petrochemical sector, but final decisions were still awaited.

The new plan, which calls for more private investment, does not exclude foreign sources. There will, however, probably be restrictions on full foreign ownership, especially in what are regarded as strategic industries — aviation, oil and petrochemicals, power generation and the media. The pre-ferred option would be for more joint ventures between the foreign and local investor or investors.

Targeting flight capital
The current debate within government circles is exactly how the kingdom can auract the billions of dollars of flight capital back into Saudi Arabia by introducing the new incentives.

There is no doubt that all these measures by the government will open up a vast scope for foreign investors to enter joint projects within the private sector," comments a recent study by the Arab Corporation for Investment Guarantee. which is based in Kuwait. According to ACIG, total foreign investment in the kingdom at the end of last year was \$6.3 billion in 360 joint ventures, which had a total capitalization of \$14.74 billion. The joint-venture companies also included banks.

Private-sector investment

I expect privatization to be successful, given the high liquidity in the local market and the huge resources of the private sector internally and abroad," says Yusuf Khalifa, an economics professor at Emirates University in the United Arab Emirates.

This will open the door for the es-tablishment of new companies, which will attract national and foreign investment," he adds.

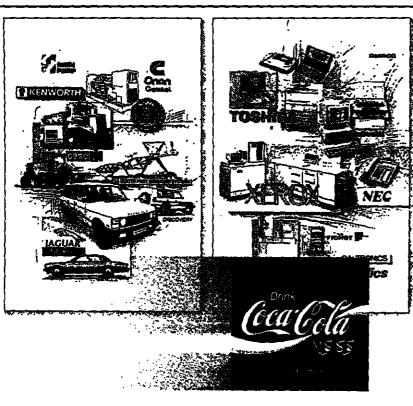
One caveat highlighted by ACIG, however, is the ruling that Saudis must maintain a 51 percent holding, which it says has dissuaded potential major investors from the United States, Japan and other industrial powers.

23.15

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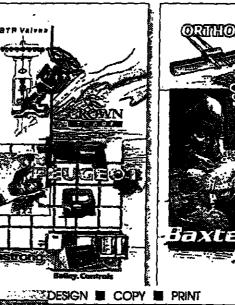






From the National Commercial Bank center in downtown Jeddah (top) to a truck-production line and a new pedestrian district in Riyadh (bottom), the

kingdom offers evidence of a vigorous and diversified economy.







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OFFSET PROGRAMS GAIN GROUND

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Progress is made on the three main offset programs.

Britain and France - there re-equip Saudia's fleet. are further possible developments in counter-trade as Saudi Arabia, with its finances under pressure, explores various options to munications project) are meet projected aircraft and defense deals. Offset and counter-trade agreements have resulted in facilities and equipment such as giant underground oil-storage tanks blasted out of solid rock, new jetliners, a pharmaceutical factory, a sugar refinery, the manufacture of avionics components and telecommunications equipment. Approximately \$5 million a day, raised from part of the British offset program, is going toward rebuilding and developing the Two Holy Mosques at Makka and Medina.

Swapping oil for goods and services is not new to the kingdom. In 1984, an agreement was made for a swap of oil for 10 Boeing 747s, and this idea was later extended to defense contracts. Industry sources suggest that

Continued from page 14

ments has led to consider-

able interest in Saudi Ara-

bia's stock market, which

has seen some frenetic activ-

ity in the past two years fol-

lowing a number of flota-

tions and new issues. These

have been oversubscribed

many times. In the case of

Saudi British Bank, the offer

was oversubscribed 26

Saudi Arabia has a popu-

In addition to advances in tions over the purchase of up the main offset programs - to 80 jetliners from Boeing involving the United States, and McDonnell Douglas to

An important change is that civil contractors with major orders (such as AT&T's \$4 billion telecomnow encouraged to provide offset programs. So far, this is not mandatory for the civil sector, as it has in the United Arab Emirates for contracts worth over \$10 million.

Surveying the field

Under the original \$4 billion U.S. Peaceshield defense program, contractors had to reinvest 35 percent of the contract value in the kingdom in the form of new joint ventures and transfer of technology. Since 1990, U.S. defense sales have climbed to \$30 billion, about the same as the United States' own defense budget.

The terms of Britain's Al-Yamamah program were different, as the agreement was signed on a "best-ef-forts" basis to reinvest 25 percent of an ongoing program worth many billions of dollars. The French Sawari 11 program, which calls for

COMING TO TERMS WITH REALITY

have not been published).

About 60 percent of the in-

habitants are under the age

of 17. Combined with a very

high population growth rate

of 3.7 percent, job creation has become a major factor in

determining economic and

social policies. About

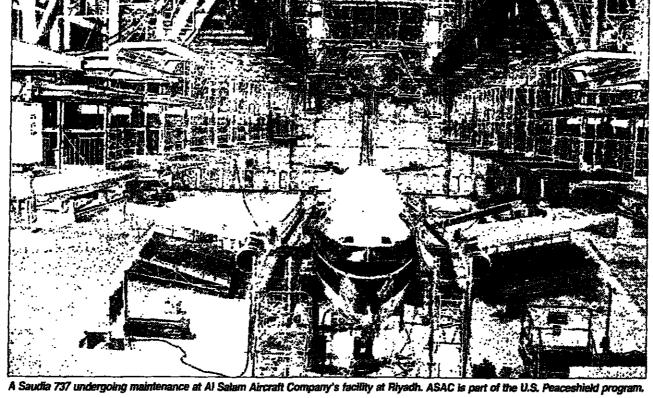
100,000 Saudis enter the job

In addition, many highly

skilled and educated young

market annually.

lation of some 12.6 million Saudis are being tempted



lapsing, it has just been re-vised following the November agreement for a \$3.6 billion deal to supply two airdefense frigates, shore bases and training programs. Thomson-CSF and the Saudi group Shairco are involved in a \$48 million gold-refining project of old mine tailings.

Hundreds of proposals the same principle may be a 35 percent reinvestment, have been examined by the kanoo have set up the Saudi Peaceshield 11 project. Its extended to current negotia- has lagged behind the U.S. British Offset Office. Less Development and Training offset proposals include

(exact figures vary as details away from "safe" jobs in orders reaffirm the King-of the official 1992 census government service (by far dom's commitment to its

government service (by far

the biggest employer) into

the expanding private sector,

which offers better career

prospects and higher

\$10 billion worth of new

contracts between the king-

dom and three U.S. compa-

nies - Boeing and McDon-

nell Douglas (\$6 billion) and AT&T (\$4 billion) - for

new jetliners and internal

telecommunications. These

This year has seen some

and British programs. After than two dozen have formal approval, and only four have started. The most outstanding one is a joint venture by Glaxo, one of the world's largest pharmaceutical companies, whose new factory at Jeddah is about to go into production. Booker Tate and Savola, a Jeddah-based edible-oil-processing company, are building a sugar refinery; British Aerospace and

dom's commitment to its

biggest trading partner, even

if the question of payments

has yet to be finalized. In

the final analysis, however,

big oil does mean big mon-

and downs, and we are no

different." says a leading

Saudi oil man. "We just

have to come to terms with

reality and forget the boom

days of the late 1970s.

"Every country has its ups

Center. BAe has a share- manufacturing satelliteholding in the Aircraft Accessories and Components auto parts and advanced Company. Rolls-Royce, General Electric and Pratt & Witney have joined with Saudia to set up the Middle East Propulsion Company, which is now going ahead after several years delay.

In 1991, Hughes Aircraft Systems took over from Boeing to finish the Peaceshield 11 project. Its software development.

communications systems,

The first civil offset program is being proposed by AT&T, which is interested in high-tech joint ventures and training programs with at least three leading Saudi companies - Advanced Electronics Co., International Systems Engineering and the Saudi Cable Company. L.V.

SAUDI ARABIA: CURRENT AND CAPITAL **ACCOUNT FORECAST, 1994-96**

iş million)	1994	1900	1996
Exports	A1,553#`	49.168	49,189
imports	25,526	27,873	29,356
Tradé balance	15,927	21.275	19,833
Net Services	13,927	-15,974	218 .28 3
Transfers	-9.000 · *	-8.300	-6,300
Current Account	→7 <i>0</i> 000	-3.000	~4,750
Source: Soute & Populace, 1 August 1994,	je Policious Anc	nco Caracano, W	anicytion DC.

DIVERSIFYING THE ECONOMY

The kingdom focuses on non-oil exports.

66A country with a diversified economy is a stronger economy. Our industrial objective is to expand and diversify the production base. develop non-oil income sources and give the kingdom a greater degree of self-sufficiency," Abdul-Aziz Al-Zamil, minister of industry and electricity, declared to a group of investors in

During a visit to Japan last month, he carried proposals for more than 30 joint ventures and urged the Japanese private sector to provide more investment and technical assistance.

Diverse range of exports While self-sufficiency was the primary objective, the emphasis today is on developing more non-oil exports. There is now a wide range of products, including downstream petrochemicals, derivatives and semi-manufactures, building iron, tiles and other ceramics, electric cables, pharmaceuticals and medical supplies, cans and bottles, air-conditioners, machinery and electrical appliances, processed foods and edible oils, flowers, fruit and vegetables, chickens, eggs and dairy products.

Wheat harvest down Until this year, wheat, which is heavily subsidized, had been an important export. The harvest this past season, however, is estimated to be 1.8 million metric tons, only sufficient to meet domestic demand.

A company formed re-cently under the U.S. offset program, Advanced Electronics Co. of Riyadh, is even manufacturing and exporting digital components for the Lockheed Fort Worth Co.'s F-16 Fighting Falcon

According to Mr. Zamil,

at the end of 1992 there were 445 companies in the kingdom, whose annual exports totaled more than \$2 billion. Total industrial-production sales amounted to \$10 bil-

Manufacturing up by 10% Henry Azzam, chief economist of the National Commercial Bank, says that manufacturing, which accounts for 7 percent of Saudi Arabia's gross domestic product, grew by 10 percent in 1993.

This growth in manufac-turing was a consequence of a sharp rise in the Saudi Basic Industries Corporation's production, to 14 million

Sabic is the largest single non-oil exporter in Saudi Arabia. For the first nine months of this year, sales revenues rose to \$2.6 billion. from \$1.9 billion last year. It exports mainly petrochemicals to more than 76 coun-

Positive outlook for 1994 Mr. Azzam believes there is a positive outlook for manufacturing. He is confident that export-oriented companies will have done quite well by the end of the

"Petrochemicals, plastics, cables and metal products will have benefited from better growth prospects in the major export markets of the world," he says.

On the domestic side, Mr. Azzam adds, several industries were benefiting from a surge in consumer demand. These industrial sectors include food and beverages, which account for 17 percent of the total number of Saudi factories (2.036), Furniture and light consumer products were also doing

We're proud to be a part of Saudi Arabia's digital vision of the 21st century.

The Saudi Arabian government and the Ministry of Post, Telegraph and Telephone recently commissioned AT&T and Bell Laboratories to implement a world-class digital communications network.

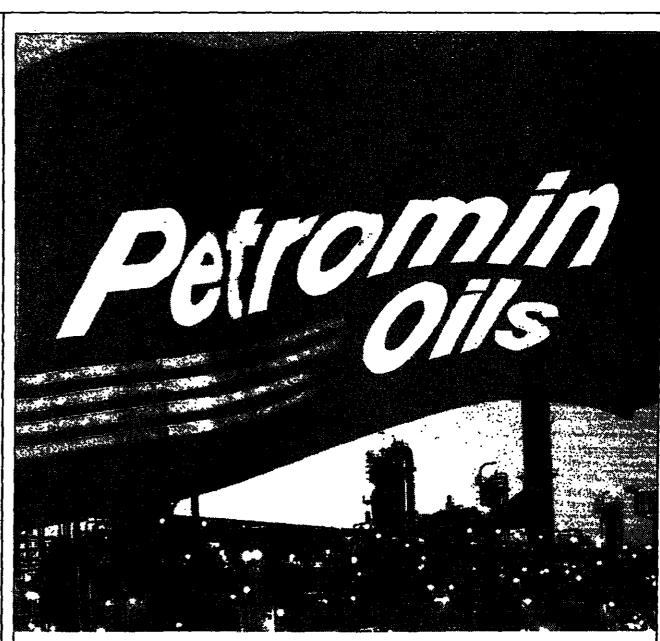
As it is phased in over the next seven years, this network will add new communications capabilities geared for success in the 21st century, vastly enhancing Saudi Arabia's existing, highly advanced system with 1.5 million next-generation digital lines and 200,000 GSM (cellular) lines.

In fact, new switching, transmission, outside plant, operational support systems and mobile telephones will virtually double the capacity of the Kingdom's current communications network.

Which means that twice as many people in Saudi Arabia will be able to do all those things that only advanced data communications can empower them to do. So they can work faster, smarter and more cost-efficiently than ever before.

This is the largest single telecommunications project ever undertaken outside the United States. We're proud to be a part of it.





Today, Our Flag Flies More Proudly Than Ever Before.

Since its establishment back in 1968, the Petromin Lubricating Oil Company (Petrolube) has been the flagship of the Saudi lubricating oils industry. From the very beginning we set ourselves many goals...to strive for perfection in everything we do. The challenges were many, the achievements even more. The first Saudi Arabian company to be established in the Kingdom to produce and market lubricating oils and greases. The

first and only Saudi company to produce and market, both locally and internationaly, lubricating oils and greases under a proud and distinctly Saudi brand name -Petromin Oils. • The first company to produce practically all the advanced range of lubes and greases



second to none in the Middle East. • The first lubricants company to be awarded the SASO "Quality Mark". The first and only company in Saudi Arabia to produce the most highly advanced motor oil in the world... ULTRA 7-API/SH. The first Saudi company to blend and produce lubes and grease products for major and independent oil companies. The first Saudi lube company to market its products in over 35 countries around the world.



Now Petrolube has become the first Saudi Arabian company to be awarded the 'ISO 9002' certificate for its three plants and its sales offices in the Kingdom, all at the same time. The latest achievement in Petrolube reaching our goals that we have set.

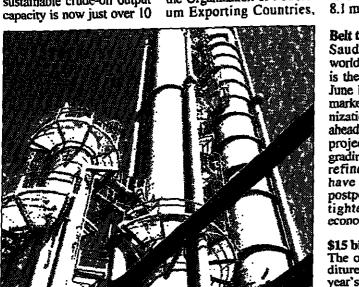
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SPONSORED SECTION

SAUDI ARAMCO TARGETS CAPACITY AND QUALITY

The world's largest oil company produces 8.1 million barrels a day, and 75 percent of the kingdom has yet to be explored.

sustainable crude-oil output the Organization of Petrole-



Sabic's Sadaf ethylene plant, one of the largest ethylene projects in

Industry sources report that million barrels a day. To however, the average daily Saudi Aramco's maximum keep within the guidelines of crude-oil output for the first nine months of the year was 8.1 million barrels a day.

Belt tightening

Saudi Aramco, now the world's largest oil company, is the result of a merger in June 1993 with Samarec, the marketing and refining organization. Developments are ahead of schedule, but some projects - notably the upgrading of the major export refinery at Ras Tanura postponed due to the belttightening of the overall

\$15 billion slated

The original capital-expenditure program before last year's merger was about \$40 billion. This has been slashed to \$15 billion pending a complete revaluation of the program. Nevertheless, prospecting

and development work on new fields in the central region and southeast are continuing as more than 75 percent of the kingdom has not yet been explored.

In the export field, Saudi developments in the past

ize on the growing demand from the Far East. Asia and Australia now account for 24 percent and Europe, 20 percent. The remainder goes Africa.

In recent years, Saudi Aramco has been trying to develop a more integrated system for crude oil and gas supplies and refining by eshave been scaled back or overseas downstream operations. These include a presence in the United States, Western Europe and East

> Its objective is to increase refining capacity and quality of wellhead production to within its own capability either at home or abroad. Current domestic refining capacity is 1.7 million barrels a day, including 30,000 barrels a day from the Arabian Oil Company's refinery in the neutral zone shared with

David and Goliath One of the most interesting

Aramco is trying to capital- few years has been the growth of the private sector in oil exploration and downstream activities - a David 52 percent of crude exports; and Goliath situation. The North America accounts for most active company is Nimr Petroleum Corporation; its principal shareholdto South America and er is the Bin Mahfouz family, which has the controlling interest in National Commercial Bank. Last year, Nimr was successfully pumping small quantities of crude from a Yemen concestablishing or buying into sion, which it won in the face of stiff international competition from 12 other groups in 1991. Nimr is also

> Another Jeddah-based company, Meridian Interna-tional (Khalid Alireza and a U.S. group) has attempted to begin operations in some of the Central Asian Republics, formerly part of the Soviet Union.

> active in Romania, Malta

and the Russian North Pacif-

In the summer of 1992, Meridian proposed a \$20 million investment to develop oil resources with Úzbekneft in a counter-trade

L,V.

PETROLUBE AWARDED ISO 9002 CERTIFICATE

"Many challenges, but even more achievements," says Petrolube's chief.

commenting on some of the changes and developments taking place in Saudi industries, HE Ahmed M. Alkhereiji – quirements, which are marketed under thirds of its lubricating and grease requirements, which are marketed under thirds of its lubricating and grease requirements. chairman, president and chief executive officer of Petrolube - says that more and more companies in the kingdom are now pursuing the need for quality rather than quantity as consumers become more demanding and the market more competi-

Established 26 years ago, Petrolube has now become the first Saudi Arabian company to be awarded the International Standards Organization's ISO 9002 certificate on its first attempt. The award was for its three lube oil plants and the company's sales offices throughout the kingdom.

Aiming for perfection

From the very beginning, we set ourselves many goals, and we strive for per-fection in everything we do," says Mr. Alkhereiji. Being awarded the ISO certificate, he adds, was "the latest achievement in reaching the goals we had set."

Petrolube is a joint-venture company between Petromin (71 percent) and Mobil (29 percent). It has a designed blending capacity at its three plants of more than 6 million barrels a year. Petrolube's blending plants were one of the king-dom's first downstream sectors. They

the Petromin Oils brand name. Petrolube also produces products for other multinational oil brands, which are marketed in Saudi Arabia in healthy competition with Petromin Oils.

More than 30 countries

Over the years, Petrolube has built a reputation for providing quality products. Faced with saturation of the domestic market, it began looking outside the kingdom for export opportunities in the late 1980s. Today, Petrolube exports to more than 30 countries and has overseas blending operations in Egypt, Rotterdam, Pakistan and Malaysia.

Last year, a Petrolube sister company, the Petromin Lubricating Oil Retining Company (Luberef), produced 1.9 million barrels of base oils. Another 300,000 barrels of oils were imported, making a total of 2.3 million barrels for domestic consumption. Total production was divided between Petrolube (1.2 million barrels), a Shell joint-venture blending plant (700,000 barrels a year) and the local and privately owned Gulf Oil Trading Company's Yanbu refinery (400,000

INDUSTRIAL JEWEL: SAUDI BASIC INDUSTRIES CORP.

Thanks to increased production and marketing, Sabic's profits rose by 76 percent in the first nine months of this year.

The jewel in the crown of Sabic would continue to in- of this year was 14 million ucts to more than 70 countries in the 15 marketing of the kingdom's industrial development is the Saudi Basic Industries Corporation, which may be open to increased private investment raise \$4 billion to finance from home - and abroad.

Last September, Abdul-Aziz Al Zamil, minister of industry and electricity and Sabic chairman, made it clear that the government would not insist on being involved in any future petrochemical-plant investments, provided the new company bought its raw materials lo-

vest in new petrochemical projects or in the expansion of existing ones. By the end of next year, it is expected to new expansion plans.

At the end of the first nine months of this year, Sabic's profits jumped 76 percent, to \$622 million, compared with the same period in 1993. Last year, annual profits amounted to \$564.4 million. Total production increased by 9 percent, to 17 million metric tons. Producmetric tons.

Supplies at short notice Commenting on the dramat-

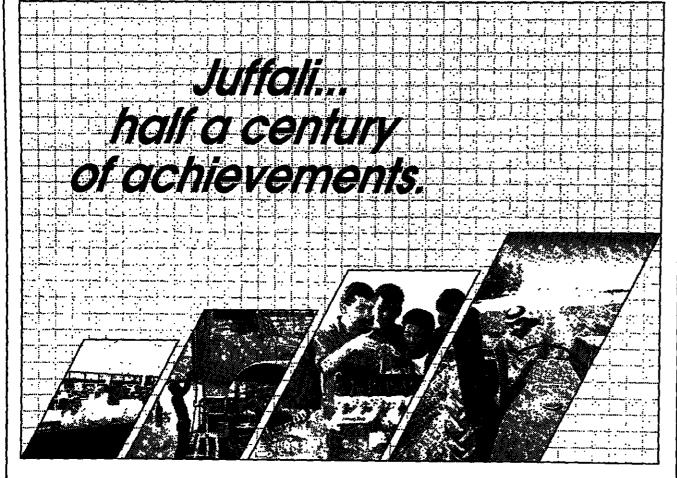
ic improvement in Sabic's performance this year. İbrahim A. Ibn Şalamah, vice chairman and managing director, says: "The trend of marketing, with a gradual but steady recovery of prices in the global petrochemicals

tries; it has 15 marketing ofworldwide. This enables it to supply basic chemical raw supply basic chemical raw materials to its customers at holders I billion riyals (\$267)

very short notice. Sabic's manufacturing hub is the industrial city of Jubail, where 12 of its 15 declining profits in recent plants are based, including a rest is held by the governyears is now being re-steelworks. A 13th plant is ment. Following various versed." He attributed this to nearing completion. The (and at times conflicting) ansteelworks. A 13th plant is ment. Following various the rise in production and corporation is one of the only petrochemical groups in the world to manufacture all five basic thermoplastics. cally. But he also said that tion for the first nine months market. Sabic sells its prod- It also has investments in

two petrochemical plants in Bahrain, whose products it fices and storage facilities now markets, and the Aluminium Bahrain smelter.

> million) in dividends. At present, Saudi nationals and GCC citizens own 30 percent of the shareholding; the nouncements, there has been speculation that 75 percent of the share capital will be open to private investment.



For nearly half a century, E.A. Juffali & Brothers Co. has been a major partner in the construction and development of the Kingdom of Saudi Arabia by introducing new products, innovative services and advanced technologies.

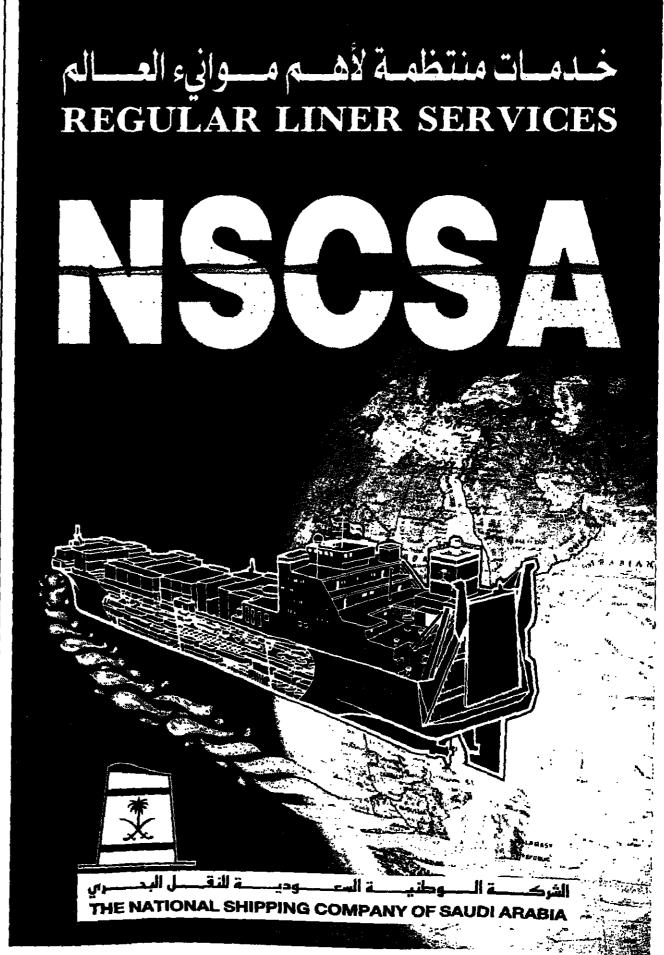
Now in the 1990's, E.A. Juffali & Brothers continues its mission by broadening markets, training Saudi youth, and providing quality goods and services. Established in 1946, Juffali led the private sector in participating in the building of

Saudi Arabia's infrastructure. Beginning with electric power utilities, Juffali's activities extended into telecommunications, transportation, air-conditioning, and other products and services. These undertakings enhanced Saudi Arabia's economic base and substantially improved the economic life and prosperity of its people. Today, activities of the Juffali Group, include manufacturing, engineering, electronics, construction, distribution, and



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PIONEERS IN PRIVATE SECTOR

E.A. Juffali & Brothers, founded in 1946, is now an industrial giant.

Wherever you go in Sau-one of the largest industrial di Arabia, even to the most conglomerates in the Arab remote part of the Empty Quarter, you are bound to come across a Mercedes truck. The name is synonymous with E.A. Juffali & Brothers, one of the largest importers of Mercedes

Service Street

The second secon

SPONSORED SECTION

trucks in the world. The company was founded in 1946 by the late Ahmed Juffali, whose brainchild was a joint venture with Mercedes-Benz AG called the National Automobile Industry.

This company has been assembling Mercedes com-mercial vehicles since 1977. It was one of the earliest manufacturing joint ventures in the kingdom. Juffali became a pioneer in developing the private sector, and end among business execu-

world. Its interests extend to the power industry, telecommunications, cement, manufacturing, air-conditioning, chemicals and a wide range of engineering and distribution services.

One of the latest Juffali projects is a joint venture with Dow Chemical for the production of latex for Saudi Arabia and other Middle East markets,

Most of the group's activities are carried out through wholly owned subsidiaries and joint ventures with names such as Siemens. Carrier, Electrolux, Fluor, Du Pont, L.M. Ericsson and many others.

Ahmed Juffali was a legthe company has become tives all over the Arab

world. He had a natural gift for farsightedness and for identifying business opportunities and then pursuing them relentlessly. He possessed those special leadership qualities that attracted total commitment and loyalty among his staff. People mattered to him more than

E.A. Justali & Brothers was one of the first private companies to establish an 'in-house" technical training center for the long-term development of human re-

Today, the Juffali Training Center in Jeddah turns out hundreds of technically skilled young Saudis each year, an appropriate reminder of Ahmed Juffali's perception of the needs of



ble of carrying 50 percent of its daily oil production of more than 8 million barrels, and they will be part of one of the world's biggest tanker fleets. Twenty-five of the VLCCs

will be owned by Saudi Aramco through its wholly owned subsidiary Vela Marine International, and five have been on order from the National Shipping Company of Saudi Arabia. The combined fleets of VML NSCSA and National Chemical Carriers (80 percent owned by NSCSA) now total about 70 vessels, including more than a dozen special petrochemical vessels.

TANKER FLEET WILL

BE AMONG LARGEST

The kingdom's 30 very large crude-oil carriers will be capa-

Last year, NSCSA ordered five VLCCs of 300,000 deadweight each for a total of \$400 million.

NCC is due to take delivery today of the first of three 37,000-deadweight special chemical carriers costing \$225 million. The vessel, built by Kvaerner Govan Ltd. of Glasgow, is named NCC Riyad.

Japan's Mitsubishi Heavy Industries, which has the order for the five VLCCs, is building an innovative design for the 300,000-deadweight crude-oil carriers. The vessels will have a double hull, which extends around the fuel tank structure; this should lessen any spillage if there is a grounding accident or collision. Each VLCC will be able to carry 2.1 million barrels of oil or petroleum products.

NSCSA, whose top management is all Saudi, is currently evaluating a number of new transportation concepts for the future. This includes a new design for Ro-Ro vessels. These will be used to replace the existing fleet of eight vessels by the end of the decade.

BANKING SECTOR RECORDS HEALTHY INCREASE IN PROFITS

Saudi banking boomed in the wake of the Gulf War, and most banks are well placed to cope with the more difficult conditions this year.

Saudi banks' profits investments. Loan-loss pro- bank placements, a consesoared after the Gulf War, visions in previous years and many banks took advantage of strong conditions to sions for investments were increase their capital. Most notably, the National Commercial Bank in late 1993 and early 1994 published results for most of its "missing years, showing that it was returning to profitability and that it possessed a capital ratio of around 14 percent (using the risk-weighted system), compared with the 8 percent standard recommended by the Bank of International Settlements.

Last of problem banks In September, the last of the kingdom's potentially problem banks, Bank Al-Jazira, declared an operating loss of \$6 million amid anticipation that it would be able to secure an operating profit on its 1994 activities. Bank Al-Jazira, however, typified current caution in Saudi

were minimal, and provifigure amounting to just \$5.5 million in 1989.

Two major players in the Saudi market, Saudi American and Arab National, increased their provisions during the first nine months of 1994. While Saudi American, along with the United Saudi Commercial Bank and the Saudi Investment Bank, was still able to report increased profits in the first three-quarters of the year, five other banks have had to settle for reduced earnings.

In most cases, these downturns are comparatively modest and can simply be seen as a reflection of the downturn in the Saudi economy during the course of the

quence of increased local lending, not least to the government. As of the end of September, four banks -USCB, Saudi Hollandi, Saudi Fransi and SIB - were in breach of the Saudi Monetary Authority's guideline that the ratio of loans to customer deposits should not exceed 60 percent. Although SIB had the highest ratio (84.3 percent), this was at least down from the 89.8 percent ratio it recorded in the same period last year.

The peculiar circumstances concerning NCB and Bank Al-Jazira make it sensible to exclude them when considering overall bank performance in 1993. The country's other 10 commercial banks saw their profits rise a healthy 25.8 percent, from \$979.1 million in 1992 to \$1.23 billion in 1993. All 10 banks recorded a steady increase in their as- economy. hanking circles by setting. Interbank placements . . . sets loans and advances in . . Henry Azzam, the chief aside some \$14.1 million in . One significant trend this the three year period follow- economist of the National

With net profits also rising steadily from 1991 to 1993, the banks found themselves well-placed to cope with more difficult conditions in 1994. The first quarter of the year saw most banks securing a continued increase in profits, but the second quarter witnessed the first signs of retrenchment. Several reasons have been cited, including a fall in public-sector activity as a result of the government's declared intention to cut 1994 spending by 20 percent.

Spending cuts Perhaps the most pressing question in late 1994 is whether the spending cuts will prompt a significant in-

crease in bad debts and a

consequent requirement for

provisioning. The banks' position reflects the dominance of the public sector in the Saudi are beginning to show. Fi-

Commercial Bank, noted in

July that lending to the private sector remained firm, however. Indeed, in the first six months of the year, Saudi American's private-sector

With the private sector continuing to grow, there will thus continue to be scope for considerable bank lending. It should also be noted, however, that some private companies will be requiring funds not for productive investment, but as bridging loans pending payment for public-sector con-

lending was 25 percent high-

er than in the first half of

As for NCB itself, the reorganization was epitomized by the appointment in April 1993 of former Citibank Chief Michael Callen as senior advisor to the chairman. His charge was to reform the bank, and concrete results.

nancial statements for 1991, 1992 and 1993 show the bank's assets falling in 1992 and then recovering modestly in 1993.

The extent of the losses sustained from 1989 to 1991 has not yet been disclosed. Despite substantial provisioning, which totaled \$375.4 million between 1991 and 1993, the bank was still able to declare profits totaling \$248.3 million for 1992 and 1993. This year, provisioning will again be high, reflecting the recent settlement of the BCCI de-

By far the largest of the Saudi banks, NCB is clearly back in profit on its current business. In other words. NCB is once again not only the most important player in the Saudi market, but also a player whose problems are largely behind it

John Roberts

NEW INSTRUMENTS FOR INVESTORS

Islamic banking and finance have undergone a major expansion, with new instruments offered to investors. The basic principle is that under Islamic law, interest is forbidden. The Jeddah-based Dallah Al-Baraka Group has set up two investment groups - Al Tawfeek Co. for Investment Funds (ATCIF), registered in the Cayman Islands in 1992, and Al-Amin Co. for Securities and Investment Funds (ACSIF), registered in Bahrain in 1992.

The two companies work together as TWA, which has been pioneering research and development of new financial products for investment on a global scale. "Our longterm aim is not only to match, but also to create alternative model financial packages, which offer superior alternatives to conventional interest-bearing systems," says a TWA director in Jeddah. TWA very quickly raised more than \$1.8 billion; this has been placed in 10 wide-ranging specialized funds and issues, which TWA manages on behalf of its investors around the world.

Its major investments by country include the United States (19 percent), Turkey (14 percent), Saudi Arabia and Algeria (12 percent), and Morocco (9 percent). Dallah Al-Baraka Group has a balance sheet of well over \$6 billion and shareholders' equity of more than \$1 billion.

World class banking doesn't just nappen.

1 starts with sound management, substantial reserves and prudent policies.

It's reinforced by our association with the global Citibank network, through which we bave instant. electronic links with over 30,000 employees worldwide. And we bave our own offices in the most important financial centres for our customers: New York, London, Paris, Geneva and Islanbid.

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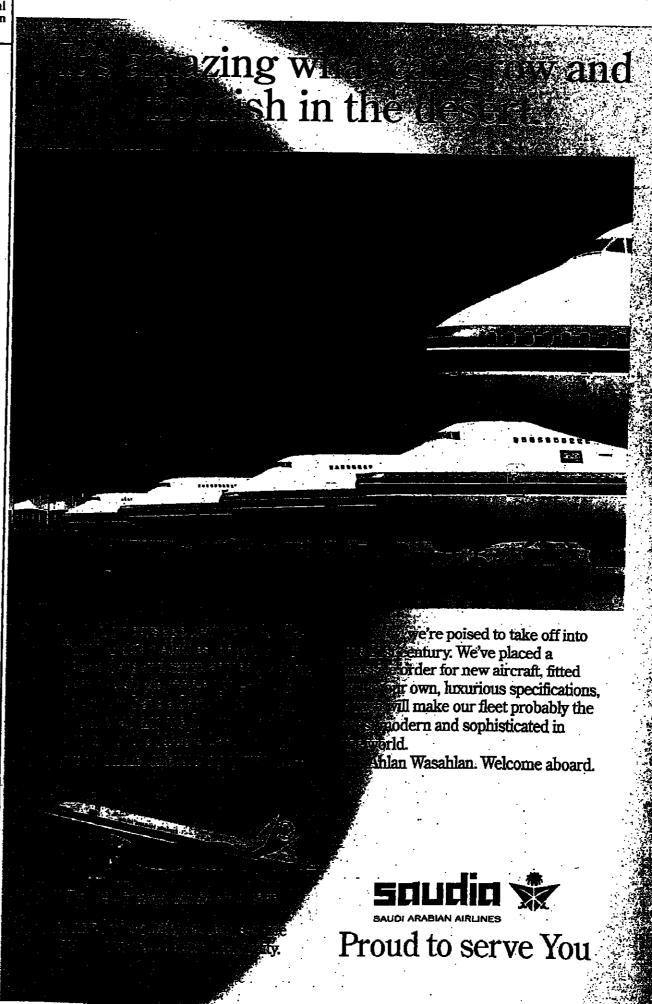
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Talk to the Leader



MAJOR NEW DEVELOPMENTS ARE UP IN THE AIR

Saudia, the kingdom's national carrier, seems set for major fleet renewal, and it is a likely candidate for privatization.

General Khaled Abdullah bin-Bakr entered office in Dhahran and Damman. 1994 facing dramatic changes in the airline's circumstances. In February, a draft agreement was reached with the United States for the purchase of some \$6.2 billion worth of Boeing and McDonnell Douglas airliners. In June, King Fahd himself declared that the airline was a candidate for privatization.

As of late November, the Boeing-McDonnell Douglas order had yet to be ratified, although both U.S. plane makers were already assigning production lines to fill the giant order. With the arrival of the new aircraft - a mix of long-haul 747s (for direct service between Riyadh and the Americas) and a variety of mediumand long-haul aircraft (to serve closer markets) - as many as 70 of the king-dom's current fleet could be replaced or reassigned to new duties

The deal is expected to include 29 Boeing 747s, five Boeing 737s and 12 of the new Boeing 777s. In addition, Saudia is purchasing 15 McDonnell Douglas MD-11s, many of which are expected to be used as part of the Royal Flight. The order was won against intense competition from Europe's Airbus Industrie and required considerable salesmanship from U.S. corporate and government officials, including President Bill Clinton himself.

Bulk to United States

Although the bulk of the order will go to the United States, Britain's Rolls-Royce is to supply many of the engines. Saudi joint ventures with European companies, as well as those with American companies, are expected to compete vigorously for key contracts to build giant new hangars to

haul fleet at Riyadh, Jeddah,

Financially, the most important component in the deal was the willingness of the U.S. Eximbank to provide massive export credits; these could cover as much as 85 percent of the contract value for a deal that is likely to prove crucial to the commercial prospects of Mc-Donnell Douglas.

In Riyadh, the government has sought to insulate Saudia from the wave of spending curbs triggered by the 1994 budget by increasing the airline's own budget

and boats

The rectinology was developed by Manub Streets Spa, and the new factory will, have a post-diaction capacity of 7,500

tons a year.
The raw insterial, low density polyethylene, will come from one of the Juball petrochemical.

biggest share of the

branded soft-drinks mar-

competitive, Olayan, which owns the Coca-

Cola Bottling Company of Saudi Arabin, has goge

Pros and cons

the royal imprimatur to a policy of privatization during a major television interview. There was a need, he said, for a larger private sector in several areas of the economy, including oil, airlines, gold mining and other key industries. Saudia was specified as a target for at

least partial privatization. Privatization, however, is not expected to take place in the next year or two. The kingdom is still feeling its

BUSINESS BRIEFS

which will be used for Cora-Cols and other soft flacks.

*Che of the laggest expositive in the food sector is At Rajhd Co. for hadden & Trading, which makes had pairs in the 30th largest cush pairs in the 40th largest cush pairs in the 40th largest cush pairs in the kingdom, with tules of \$300,000 k also has two factories

aiso has two factories making case for frod and monstrial containers as

* A 100 percent Saudi-

tion in Riyadh for Af-Haya Medical Compa-ay. Walid Amin Kayyali.

The Playma Greater and a joint venture with one of the subgroun's Revacids Metals, the language in the language in the world. The milion can venture with an Italian companies film successful in the world in manufacture rings from parech weight at quantities. Due to be compared by of Judge.

The mineral is used as maked in 1996 the plant city of Judge.

The mineral is used as maked in 1996 the plant in the mineral is used as maked in 1996 the plant will have an annual can be mineral is used as maked will be used for all kinds of items, from palietizes handed to can the housest extraction of the bassess extraction.

lants. well as corregated car-As the battle for the tons for farm produce and

ket becomes even more owned pharmaceutical competitive. Olayan, factory is under construc-

Daudia's new Director- house the kingdom's long- by 6.6 percent, to \$2.2 bil- way in this complex field. Moreover, Saudia plays a vital social role, with its lowcost internal flights substi-On June 3, King Fahd gave tuting for services that in other countries would be provided by ground transport. Careful financial arrangements are therefore required to ensure that potentially profitable interna-

> subsidize domestic routes. Privatization should help speed up the process of "Saudization." The airline has had considerable success in training local flight crews, which now account for around three-quarters of to-

managing directly make the factory will come on success lowers the make of 1990.

The factory, which will

have a production area of

7,000 square meters (75,100 square feet) is being built with interna-tional know-how from

many pharmaceurical companies in the United

States, Europe and the

Far East.
We will be producing at least 100 different pharmaceuticals and toleties to the highest and mational specifications.

and standards, including

GMD," says Mr., Walld.

own domestic market, we also plan to export products to other Middle East

countries."
Al-Haya has licensing

agreements with many

foreign companies, in-

cluding Jaussen (Den-mark), Smith & Nephew

(Britain) and Solvay Duphar (Netherlands). LV.

'As well as supplying our

Far East.

tional services effectively

tal flight staff. Cabin crew, however, continue to be largely hired in Europe; in 1994, some 35 stewardesses from Scotland were hired.

In the kingdom, the new aircraft will be serving some of the world's most advanced airports, including the new King Fahd international airport at Dhahran. which is capable of handling 4 million passengers a year. and a new \$2 billion airport at Dammam. At present. several of the kingdom's North American services require refueling stops at Shannon in Ireland.



AT&T WINS \$4 BILLION TELECOM DEAL

Telecommunications has long been accorded an extremely high priority in Saudi Arabia.

In May 1994, the U.S. AT&T won the giant \$4.08 billion Sixth Telecommunications Expansion Project (TEP-6) to supply 1.5 million new lines, taking capacity to around 4 million lines. and to provide and install an integrated digitally based telephone network for the kingdom.

At present, the Saudi PTT is in the last stages of a previous expansion, designed to raise total capacity from 1.5 million lines in 1990 to 2.5 million lines by the end of

International standards The new AT&T contract is intended to ensure that the kingdom's telecommunications are brought into line with global Integrated Services Digital Network standards. The deal is likely to yield considerable spin-offs for ancillary services as Saudis and Saudi-based expatriates boost demand for mobile phones, pagers, fax machines and modems as well as regular phone ser-

The contract, for which

senior Clinton administration officials lobbied long and hard, was won against stiff opposition from such companies as Canada's Northern Telecom and Sweden's LM Ericsson. Two factors in particular helped AT&T secure the job. One was its stress on technology transfer and the training of Saudi managers and telecoms professionals: the other was its willingness to develop an economic offset program. With the White House known to be seeking to secure the deal for U.S. companies, these factors proved sufficiently enticing for the kingdom to pass up at least one proposal that, one

Leading role in telecoms "AT&T believes that the implementation of the TEP-6 project will guarantee that the Kingdom of Saudi Arabia will continue to preserve its leading role in telecommunications in the world. with an advanced network designed for graceful evolu-

of AT&T's rivals asserted.

was considerably lower in

tion, allowing uniform access and architectural freedom," says Mart van der Guchte, vice president in charge of the project.

As part of the giant deal, AT&T will also install 200,000 mobile lines. AT&T is expected to introduce a system based on digital technology, although this will entail complex frequenev reallocations.

Wanted: mobile phones Factors fueling the demand for increased lines include not only the fact that the kingdom has one of the fastest-rising population rates in the world, but also the recent expansion of the oil industry, which has boosted demand for mobilephone systems.

One of the greatest areas for growth is likely to be in paging services. The Saudi PIT introduced a public radio-paging service in Riyadh in 1991; subsequently expanding it to serve 120,000 customers throughout the country. The system comprises three GL 3000 paging-terminal control centers - located in Rivadh Dammam and Jeddah - and 41 Datacast high-power radio transmitters throughout the kingdom. But demand is so great that, as with mobile phones, constant expansion of pager services will be required.

Although Saudi policy has long been to promote the PTT paging service and to prevent the setting up of private systems, some major companies such as Saudi Aramco do possess their own private paging systems. The expectation was that these would be phased out in favor of the new PTT service, but the government's recent emphasis on privatizing aspects of Saudi telecommunications would seem to indicate there is a future for private paging systems in the kingdom. As a direct result of the 1994 budget, one area that will be handed over to the private sector is pay telephones. The PTT believes the kingdom needs some 43,000 pay phones, but at the start of 1994 it had only 8,000.

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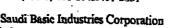
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SPORTS

Ortlieb Edges Moe in Delayed Super-G Race

The Associated Press

TIGNES, France - In a battle of Olympic downhill gold medalists, Patrick Ortlieb of Austria, the 1992 winner, edged this year's champion, Tommy Moe of the United States, in a World Cup super-giant slalom Sunday

In a race postponed from Saturday, Ort-lieb was timed 1 minute, 22.25 seconds on a course that was 2,623 meters (8,603 feet) long and dropped 625 meters.

Moe took second in 1:22.58, and Luc

Alphand of France was third in 1:22.65. Ortlieb was the surprise downhill winner in Val d'Isère, France, in 1992 but lagged fourth behind Moe this year in Lillehammer, Norway. The race Sunday was Ortlieb's third World Cup victory.

He heads back to Val d'Isère for two

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downhills on Friday and Saturday. "The atmosphere is different every race," Ortlieb said. "Of course, Val d'Isère is special, but the course is not the same

course as the Olympics." Moe also took the silver medal in the Olympic super-G.

"As Patrick would know after winning the Olympics, it changes your life," Moc said. "Everyone knows who you are." Fog and high winds following a heavy snowstorm forced the cancellation of the

race Saturday. It was run Sunday in place of a giant slalom that was rescheduled for Val d'Isère on Dec. 18. As part of a massive juggling because of a lack of snow in most of Europe, another super-giant slalom originally scheduled in Austria for Dec. 20 was switched to Val

a giant slalom to allow top technical skiers like Alberto Tomba of Italy to come back Tomba, who did not race in the super-G on Sunday, retains the lead in the overall

d'Isère. But that event has been changed to

World Cup standings with 150 points. Michael Von Grünigen of Switzerland is second overall with 125 points. Kjetil Andre Aamodt, last year's overall World Cup champion, moved into third

with 104 points after a 23d place. He has scored in all three races this season. Tomba gets a chance to extend his lead in a slalom under the lights Monday night

in Sestriere, Italy. He won the season's first slalom last Sunday in Tignes. The super-G scheduled for Saturday

and run on Sunday had originally been set for Val d'Isère the previous weekend. Atle Skaardal of Norway was fourth with 1:22.70, followed by Luigi Colturi of Italy in 1:22.81. Sixth was Daniel Mahrer

di Switzerland, 1:22.83.



Patrick Ortlieb of Austria, 1992 Olympic gold medalist, on his way to victory in the World Cup super-giant statom race.

Seizinger Turns Weekend Into Success

Compiled by Our Staff From Dispatches

LAKE LOUISE, Alberta - Katja Seizinger of Germany made the most of her last chance at success over the weekend by winning the World Cup super-giant slalom on Sunday.

The German skier was timed in one minute, 11.58 seconds for a comfortable victory over Heidi Zeller-Baehler of Switzerland, who was clocked at 1:11.90 for second place. Picabo Street of the United States, the winner of Friday's downhill, and Martina Ertl of Germany tied for third

Seizinger, the defending World Cup super-G and downhill champion, finished third in the downhill on Friday and was a disappointing 10th in Saturday's downhill race. She said she had been frustrated earlier but felt vindicated by her triumph on Sunday.

"I'm satisfied now," said Seizinger, who also won the last super-G contested at downhill, followed by Lindh.

Lake Louise, in 1992, "I made two little mistakes but it seemed to work out all

Seizinger said she would be happy if every ski season opened in North America. "I'd be extremely happy if the racing was held in Lake Louise.

Fifth place went to Bibiana Perez of Italy in 1:12.60, and Katharina Gutensohn of Germany finished sixth in

Hilary Lindh of the United States won the downhill race on Saturday. Lindh, the winner of the season's opening race in Vail, Colorado, and second in Friday's downhill at Lake Louise, won in 1 minute, 39.90 seconds.

Florence Masnada of France finished second in 1:40.08, and Zeller-Baehler was third in 1:40.40.

Americans finished one-two in Friday's downhill. Street won her first World Cup

Unlike Street, who finished ninth Saturday, Lindh didn't regale the media with humorous stories about herself or drawing pictures in the snow on the podium.

"I try to stay away from that," said Lindh, 25. "If I find myself thinking about how the results are going to go, I have to try to correct myself and think about

After winning the downhill silver medal at the 1992 Olympics, Lindh missed half the next season with a knee injury. She returned to win a race at Sierra Nevada,

Lindh only shrugged when asked what she was going to do with the Canadian funds she won over the weekend: "Get it changed, I guess."

The race was held on the men's Olympic downhill course. A total of 41 gates were scattered over the course which has a vertical drop of 707 meters (2,300 feet). (Reuters, AP)

something else."

Spain, last season.

tin in the semifinals Saturday.

after 2 hours, 37 minutes.

my chances. To win the Davis Cup is something

with no pressure," Larsson said.

In reaching the final, Larsson upset three higher-ranked players: Davis Cup teammate Stefan Edberg, then No. 2-ranked Andre Agassi and then Todd Mar-

Much-Richer Larsson Aces Sampras in Final

MUNICH — One week after helping Sweden win the Davis Cup title, Magnus Larsson upset top-ranked Pete Sampras on Sunday to pocket the richest prize in tennis: \$1.5 million.

ns: \$1.5 million.

Larsson, 24, won by the score of 7-6 (8-6), 4-6, 7-6 (7-5), 6-4 in the final of the Compaq Grand Slam Cup and said, "This is the best Christmas present I could get."

Larsson nearly equaled his entire career's prize money, \$1,690,317, and more

than doubled his 1994 earnings, which had stood at \$639,105 before the final. Sampras, who won the inaugural Grand Slam Cup in 1990, got \$750,000 as the

losing finalist, plus a bonus of \$500,000 for the two Grand Slam titles he won in 1994, the Australian Open and Wimbledon.

The tournament invites the 16 players with the best records in the four Grand Slam events, which also include the French and the U.S. opens.

Larsson, who is ranked 19th in the world, had never beaten Sampras in five previous matches. He got into this tournament by virtue of reaching the semifinals at the French Open. It was his best finish

at a Grand Slam event. Sampras won 10 titles this year, the last at the ATP Tour World Championship in Frankfurt in November. But he could not match the raw power of Larsson, who

served 31 aces. With serve-and-volley predictability that at times became tedious on the superfast carpet of Munich's Olympic Hall, both the first and third sets went with service throughout and were won by Larsson in the tiebreaker. In between, Sampras took the second set on a single break of

Larsson, the winner of two titles this year, then broke Sampras twice in the final set to take a 5-1 lead. He wasted a match

point and was broken in the eighth game, as Sampras cut the Swede's lead to 5-4. But Larsson went up, 40-0, on his serve and a service winner gave him the match

"At the start of the fourth set I had a few good games, but at the end I felt a bit tired, the pressure was one me," he said. "But I saw that Pete was also tired and I thought that the longer the match lasts, the better

very big, I felt I could go here and play



Pete Sampras: "I felt a bit tired."

Sampras had to battle through five tough sets, and survive 41 aces, on Saturday to beat Goran Ivanisevic, 5-7, 6-3, 6-4, 6-7 (5-7), 10-8. That match took 3 hours, 22 minutes, and Sampras appeared far less fresh than Larsson in the final.

"I felt a bit tired, but you've got to give Magnus credit," Sampras said. "He played too good, he served too big, and he's coming off the Davis Cup victory."

In his semifinal, Sampras wasted two set points in the first set before allowing Ivanisevic to come back and win it.

Then Sampras needed seven set points to finish off the second set. And he wasted four match points before Ivanisevic hit a volley long that ended the match.

But, by adding \$1.25 million to his 1994 earnings, Sampras reached the record sum of \$4,857,812 for the year. The money here also boosted the two-time Wimbledon champion's career earnings to more than \$16 million.

As for Larsson, he was asked after his semifinal whether he was starting to tire after a pressure-packed week. And, he did not have to search long for an answer. "It's not hard to keep motivated for the Grand Slam Cup," he said. "It's too much

(AP, Reuters)

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With O'Neal Front and Center, Magic Defeat Hawks

mission impossible.

little bit of a mission," said the Orlan-nine minutes of the third quarter. do Magic coach, Brian Hill, after the NBA's leading scorer got 33 points, 13 rebounds, 4 assists and 3 steals in a 109-98 victory Saturday night.

"Atlanta is a team that poses problems at the center position because they have two 7-foot guys that are big and strong and have 12 fouls to use," him do his thing." Hardaway said, quarter as Phoenix ran its record against Minnesota to 22-0.

The triumph was the 13th in the last 14 games for Orlando, which improved a two-point setback Dec. 3 in Atlanta. and Ken Norman each had 14 for third straight home loss.

SCOREBOARD

SACTOR OF THE SACTOR

WESTERN CONFERENCE Midwest Division

NBA Standings

For Shaquille O'Neai, it was not and Nick Anderson 19 for the Magic, previous five games. which broke the game open by out-

NBA HIGHLIGHTS

to get our shots going. But mainly our lakers 120, Jazz 113: Sedale focus was to get the ball inside."

Lakers 120, Jazz 113: Sedale Threatt, in his first start of the year

the league's best record to 15-3. The with 15 points, but he had just two left ankle, scored a season-high 38 team's only loss in the past month was after halftime. Steve Smith, Craig Ehlo points as Los Angeles handed Utah its

Ansernee Hardaway had 22 points Atlanta, which had won four of its

Pacers 117, Heat 103: Hot-shooting "He played very hard. He was on a scoring Atlanta by 27-11 in the last Reggic Miller tied his season high with 33 points as Indiana won its fifth "We knew that [John] Koncak and straight. Miller made 9 of 11 shots [Andrew] Lang couldn't hold Shaquille, from the field and 10-of-11 free throws

> Suns 103, Timberwolves 89: Rookie Wesley Person scored seven of his 25 points during a 17-1 run in the fourth

Threatt, in his first start of the year Mookie Blaylock led the Hawks because Nick Van Exel had a sprained

Mavericks 99, Homets 86: Jamal Mashburn scored 31 points and Jim pointers in the final five seconds. Jackson 20 as Dallas won its ninth game - a total the Mavericks didn't

reach until April 5 last season. place on the NBA's all-time victory list 22 in Hopston. with 865; he was tied with Jack Ram-

left ended Milwankee's nine-game los-

ing streak.

Chicago, which never led and trailed by 16 points at halftime, railied to tie

Nuggets 111, Bullets 89: Mahmoud Abdul-Rauf, a day after being fined at 103 on Scottie Pippen's free throw for missing practice, came off the with 14 seconds left. Robinson, who bench to score 31 points as Denver finished with 18 points, then got a pass won its fourth straight. Abdul-Rauf from a driving Lee Mayberry and was made five 3-pointers and was 13-of-19 fouled by Pete Myers as his shot fell. shooting.

ter, Austrio, 1:41.92

Pippen and Toni Kukoc missed 3-

Spurs 108, Rockets 96: Avery Johnson led a balanced San Antonio attack with 24 points, and Chuck Person sank Coach Dick Motta moved into third six of nine 3-pointers and finished with

San Antonio played without Dennis Rodman, who was removed from the Bucks 106, Bulls 103: Glean Robin-team's suspended list Saturday but did son's three-point play with 5.3 seconds not suit up. Rodman accompanied the team to Houston but remained in his

oner, 1989, 1:22,887 9, KVIe Rosmussen, U.S.1:22,89; 18, Loco Cortomeo, 1989, 1:2290. Overall Werld Car stendings (effer; fitnes roces); 1, Alberto Tombo, 1989, 139 points; 2. Michael Von Gruenfren, Switzerland, 725; 3. Kletil-Andre Aomadi, Narwoy, 194; 4, Achim Vort, Liectherstein, 1911; 5. Potrick Critish, Austria, 190; 4. Tommy Mee, Girdwood, Alos-ta, 80; (tie) Michael Tritscher, Austria, 81; 8. Moria Reiter, Austria, 62; 7, Luc Alohand, France, 60; (tie) Thommus Fosdoe, Sweden,

(Through Saturday's Games) AMERICAN CONFERENCE

W L T PIS PF PA 10 3 6 767 251 167

East
L T Pts PF PA
3 8 784 380 217
6 0 538 262 265
7 0 462 221 262
7 0 462 184 235

7 0 A62 184 235 11 0 .154 267 357

Central
W L T Pts PF PA
5 5 0 .415 295 242
8 5 0 .415 228 341
8 6 0 .571 226 736

Tompo Boy - West - West - West - W L T Pts PF PA a-Son Francisco II 2 0 J464 411 21 A11-21 4 7 0 J462 270 329 - 273 335 273 335

SDECER PR

ENGLISH PREMIER LEAGUE

diags: Blockburn 42 points, Mon

ler United 41, Newcostle 37, Liverpool 32, Nat-Hingham Forest 32, Manchester City 28, Leeds

All Chelses 27, Norwich 27, Tottenhorn 25, Covering 22, Chelses 27, Norwich 27, Tottenhorn 25, Covering 21, Arsenta 21, Crystal Palace 21, South-ampton 21, Sheffield Wednesday 21, Wimbledon 21, Queens Park Rangers 19, Everinn 18.

Detroit 16, New York Jets 7

stle 3. Luicester 1

Imbledon 2 Coventry 9

FOOTBALL

NFL Standings

Micmi Buffolo New England Indignopolis N.Y.Jets

San Diego

SIDELINES

Foreman to Defend Titles in April

NEW YORK (AP) — George Foreman will defend his IBF and WBA heavyweight championships in April at the Louisiana

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Superdome, according to the promoter Bob Arum.

Appearing on CBS Television's Eye on Sports, Arum said Saturday that an opponent for Foreman would be selected within. the next 10 days. Foreman, 45, won the titles when he knocked out Michael Moorer on Nov. 5, 20 years after losing his title to Muhammad Ali.

In championship fights this weekend: Indio Cesar Chavez of Mexico retained his WBC super light. weight title in Monterrey, Mexico, when the referee stopped the fight in the 10th round with Tony Lopez of the United States

bleeding over both eyes. Jorge Castro of Argentina, battered and bloodied, retained his WBA middleweight title in Monterrey with a ninth-round. knockout of John David Jackson of the United States. Olzubek Nazarov of Kyrgyzstan retained his WBA lightweight title by knocking out Joey Gamache of the United States in

the second round in Portland, Maine. • Oscar De La Hoya retained his WBO lightweight title in Los Angeles when his fight against fellow American Johnny Avila was stopped in the ninth round.

Tapie Replaced at Marseille Club

MARSEILLE (Reuters) — The former television anchorman Pierre Cangioni took over Sunday from Bernard Tapie as president of the Olympique Marseille soccer team and hinted at cutbacks when he said, "You've had Santa Claus as a president for eight years."

Tapic, who was banned by French authorities from running the club following the alleged rigging of a league match against Valenciennes last year, said he would be giving up all his shares in the team by "next week at the latest."

For the Record Yusif Omar, 22, a Nigerian soccer player with Olympic of Alexandria, was deported from Egypt after proving to be HIV-positive in the mandatory AIDS test for foreigners. (Reuters) Jose Canseco, the home-run-hitting outfielder of the Texas Rangers, was traded to the Boston Red Sox for center fielder Otis Nixon and minor league third baseman Luis Ortiz.

Werder Bremen & Bayern Manich 9 SC Freiburg 3, Scholike 9 Standings: Boruesia Dortmund 28 points. Werder Brennen 24, Moenchensladingch 23, SC Freiburg 23, Bayern Manich 22, FC Kolsens-Industry 25, Korterule SC 27, Boyer Lavertu-sen 25, Homburg SV 18, VfB Stuttgert 16, Ein-tracht Frankfurt 16, Schalke 13, FC Colosne 13, Boyer Verdingen 16, 1840 Munich 16, Dy-nomo Dreaden 16, VfL Bochum 8, MSV Duk-

SPAMSH FIRST DIVISION Departition de La Coruna S. Sevilla 1 Ceito-Barcelona (Late Game) Betts L Valladalid 2 Real Madrid 2 Ovledo 9

Lagranes & Real Sociedad 4 Albocate 2, Tanariie 1 Sporting de Gijan & Altejico de Modrid 2 Rocing de Santonder (l. Zaragoza 1 Espanol 2. Compostela 8 Athletic de Bilbao 2. Valencia 1

Standinus: Real Modrid 21 points, Depar-

sresengs: Neal Mooring 21 pours, Descrive La Corana 21, Zorragea 21, Athletic de Bibbao 18, Barcelona 17, Beffs 16, Espanol 16, Sevillo 15, Celto 14, Composibla 14, Valencia 13, Athelica de Madrid 12, Tenerife 12, Real Sociedad 11, Oviedo 11, Albacele 11, Spartins de Gijan 11, Valladolid 10, Rocina de Santon-

Ger V. Logromes 3.

DUTCH FIRST DIVISION
Sports Retterdom S. FC Utrecht 0
FC Twente Enschede. 3 MVV Monstricht 0.
Vittesse Armhem 3. Willem 11 "Tiburs 1
SC Heershven 4. NAC Brads 3
Standings: Rada JC 24 points. Alox 22. FC
Twente 22. PSV 21, Vitesse 18. Hoerenvent 12.
Fevenoord 17. Willem 11 16. MVV 13. FC
Utrecht 13. Sports 13. NAC 12. FC Graningen
12. FC Volendom 12. NEC 10. RKC 10. GA
Eagles 7. Dordrecht 96.

ITALIAN FIRST DIVI Brescia & Sampdoria et Genoa 0
Florentina 1, A\$ Roma 0
Florentina 1, A\$ Roma 0
Florentina 1, AC Millon 3
Genoa 0, AC Parms 0
Internazionale of Millan 0, Napoli 2
Padova 2, Capillari 1
Bathligha 2, Craponesa 0

Steedlares: Pormo 28 points, Juventus 26. Fiorentino 25. Roma 23, Luzio 22. Barri 22. Sampdoria 18. Foogla 17. Inter 17, Cogliari 17. Allian 16, Terino 15. Nacoli 15. Genos 12. Cre-monese 12. Podova 11, Regelano 6, Brescia 4. NET VENEZA

RUGBY UNION Empland 60, Canada 19

GRICKET

THIRD TEST
Jodie vz. West Indies, second day
Sendoy, in Chondigerth, India
West Indias (first Indias); 430
India (first Indias); 95-1
ANANDELA TROPMY
New Zealand vs. South Africa
Sunday, of Centerion Park
South Africa Indias; 316-7

Suppoy, of Casterion Perk South Africo Innings: 3147 New Zealand 23 (all out) — 40.3 overs. . . Result: South Africa won by 81 runs

TRANSITIONS BASEBALL

American League
BALTIMORE—Agreed to terms with Meth
Notes, catcher, on 1-veor contract. Designatied John O'Donastrue, pitcher, for castament,
CALIFORNIA—Normed Steve Replace pitching coach of Cador Ropids, Midward League. and Gary Petits minor-league base rustiles

and Gory Petits minor-leggue base running instructor.

CHICAGO—Claimed Terry Brass, Pitcher, off waivers from Cincinnail. Signed Junior Orfis, colcine, to minor-leggue contract. Sent Luis Andujer, pitcher, to Nashville. AA. 20. CLEVELAND—Asreed to terms with Eff-Smith, outlieders, on minor-leggue contract. DETROIT—Named BIR Plemmer moneser of Jocksonville. St...

OAKLAND—Claimed Heafth Haynes, pitcher, off waivers from Baston.

TEXAS—Traided Jose Cameco. outlielder, to Bouton for Oils Nison, outlieder, and Luis Gritz, third basemen.

Mattenai Leaste.

ATLANTA—Acquired Aido Pecartill, first

ATLANTA—Acquired Aldo Pecorill, first bosence, from St, Louis to complete an earli-er trade; assigned Pecorill to Greenville, SL.

PLORIDA-Sett Strott organs, prictier, curright to Edmonton, PCL.

PITTSBURGH—Asread to terms with Mockey Seaser, catcher, and Mill Hill, pitch-er, on minor-league contracts.

ST. LOUIS—Named Lau Brock special instructor. Named Chris Mislaney manager; Rich Folkers pitching coach; John Lawis coach; and Reset Bluerons trates and 81 behaviours. Est Brod Bluestone trainer at 51, Petersburg, FSL, and Roy Stree manager; Ray Secrage pitching asoch; Ketth Smith coach; and Berl Boyd trais-

National Baskethell Association DETROIT—Put Lindsey Hunter, guard, and Oliver Miller, other, on the injured list. Activated I vario Newbill, forward, from inpured list.

PORTLAND—Activated Rad Strickland, busine, from injured list. Put James Edwards,

O: Hunter 6-14 9-4 18, Militer 6-10 6-7 18. Re-bounds—Chicago 56 (Wennington 9), Defroit \$2 (Miller 10), Assists—Chicago 23 (Kukoc 6),

8-14 1-2 19- Arr

nson 10-17 5-10 28, Drexier 11-17 3-3 26. kis—Golden State-48 (Razier 11), Port-(Williams 13), Assists—Golden State vieway 8), Portland 26 (Strickland 13),

11-25 3-5 25; L.A. Lokers: Ceballos 9-19 3-4 22, Divoc 9-14 3-5 21. Rebessés—Clippers 51 Divoc 9-14 3-3 21. Rebesseds—Clippers 51 (Vought 15), Lokers 61 (Divoc 17), Assists—

DENNIS THE MENACE

Boy, I thought nice weather would *never*

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so we just threw the ball inside and let in 27 minutes.

\$ATURDAY'S RESULTS iphig \$2 22 24 25—193 rk 25 28 24 25—167 phierspoon 9-24 11-1929, Burton 7-167-

8 24; N.Y.; Ewing 12-21 44 25, Harper 7-16 4-4

F: Westherspoon 9-2411-1929, Burton 7-18724 N. W.; Ewing 12-14-428, Horper 7-16-44
22. Rebounds—Philodelphia 45 (Westhertooon 10). New York 55 (Ookley 16). AssistaPhilodelphia 12 (Borros 9). New York 27
(Horner 9).

Bosten 22 22 19 35—96
New Jersey 35 23 35 36—196
S: Montrosa 9-16-1-1 19, Wester 7-16-6-7 25;
N.L.; Colemon 7-14-2-3 14, Anderson 3-12-2-3 22.
Rebounds—Boston 55 (Fox 14), New Jersey 33 (Anderson 15).
Assista—Soston 16 (Westery 6).
New Jersey 33 (Anderson 15).
Altenda 31 23 17 35—96
Orlands 31 33 22—189
A: Smith 3-8-8-14, Bloylock 6-15-0-15, Etho
5-10-2-14, Norman-6-12-6-14-6; O'Neal 4-26
5-12-23, Horrdowoy 8-16-5-6-22. Rebounds—Altenda 55 (Lone 10). Orlands 57 (O'Neal 4-26
5-12-23, Horrdowoy 8-16-5-6-22. Rebounds—Altenda 55 (Lone 10). Orlands 57 (O'Neal 14-26
5-12-33, Horrdowoy 8-16-5-6-22. Rebounds—Altenda 55 (Lone 10). Orlands 57 (O'Neal 15).
Assista—Allonto 25 (Smith Bloylock 6). Orlands 26 (Show 10).
Defort 19 16 29 19 21—57
Cieveland 17 (T.Millis 7-12-6-17). Assista—Orland 51 (T.Millis 9). Cleveland 51 (Price 6).

Top 25 College Results

Hew the top 25 teams in The Associated Press' men's college basketball pall forted this weeksaid '2. UCLA (2-5) best Cal State-Fuller-ton 99-61. Next: at LSU, Saturday; 3. Arkanses septemet: 2. UCLA (3-4) bent Cat State-Fullerton 99-64. Mexit of LSU, Saturdov; 3. Arfantses
(6-1) bent Murray State 94-69. Next: vs. Florida &M. Wednesday, Dec. 21; 4. Kansas (3-0)
ben North Carellina State 94-91. Next: at Indiana, Saturdoy; 5. Massachuseths (3-1) bent
No. 11 Maryland B-74. Next: vs. Princaten,
Wednesday; 6. Flerida (4-1) bent Texas 91-73.
Next: vs. Florida State at Carlando. Flo., Saturday; 7. Kantucky (4-1) bent Baston University
94-6, Next: vs. Texas Tech at Cincianati, Saturday; 7. Kantucky (4-1) bent No. 23 Michican 6959. Next: vs. North Carolina A&T, Manday,
Dec. 17.
11. Maryland (6-2) lest to No. 5 Massachumetis 85-74. Next: vs. Texas Tech Norday;
13. Ghiclingal (4-2) lest to No. 5 Massachumetis 85-74. Next: vs. Texas State. Monday;
13. Ghiclingal (4-2) lest to No. 5 Massachumetis 85-74. Next: vs. Texas State. Monday;
13. Ghiclingal (4-2) lest to No. 5 Massachumesata. Tuesday; 14. Wiscontia (4-1) lest to
Zestern Michigan 97-74. Next: vs. WisconsiaAllhuguitee. Wednesday; 15. Allchigas State
(2-1) lest to Nebrusica 96-91, O7. Next: vs.
Chavelond Slyte. Manday; 17. Geersla Tech

Brown 67, Maine 78 Drexel 68, Rider 64 Holy Crass 80, Darhmouth 71, QT Jone 70, Porchem 60 Lethigh 83, Harvard 74

Milher Vice 33 at an iso-red C: Player, 9-22 2-4 29, Armstrong 9-17-9-3 21, M: Newman 7-9 4-4 21, Baker 7-19 6-10 20, Rebounds—Chicago 57 (Player 16), Allwau-ice 49 (Baker 11), Assista—Chicago 29 (Player 19 (Baker 11), Assista—Chicago 29 (Player 16), Allwau-Reference—Chicase 57 (Plapen 16), MilwauJose 89 (Boker 11), Assists—Chicase 39 (Plapen 91, Milwaukee 19 (Murdock 8),
Charlotte 19 22 14 19—84 Marchathen 44 Monrhouth, N.J. 59
Ct. Johnson 9-17 1-4 19, Mourning 9-14 2-2 20;
Ct. Johnson 9-17 1-4 19, Mourning 9-14 2-2 20;
Ct. Johnson 9-17 1-4 19, Mourning 9-14 2-2 20;
Ct. Johnson 9-17 1-4 19, Mourning 9-14 2-2 20;
Ct. Johnson 9-17 1-4 19, Mourning 9-14 2-2 20;
Ct. Johnson 9-17 1-4 19, Mourning 9-14 2-2 20;
Ct. Johnson 9-17 1-4 19, Mourning 9-14 2-2 20;
Ct. Johnson 9-17 1-4 19, Mourning 10-0 22,
Ct. Johnson 19-17 1-2 20;
Ct. Johnson 9-17 1-4 19, Mourning 10-10 22;
Ct. Johnson 19-17 2-2 20;
Ct. Johnson 9-17 1-4 19, Mourning 10-10 22;
Ct. Johnson 19-17 1-2 20;
Ct. Johnson 9-17 1-4 19, Mourning 10-10 20;
Ct. Johnson 19-17 1-2 20;
Ct. Johnson 9-17 1-4 19, Mourning 10-10 20;
Ct. Johnson 9-17 1-4 19, Mo

*** Advanta *** Ad

Mercar SI, Indiana SI, 74
Mercar SI, Indiana SI, 74
Mercar SI, Indiana SI, 74
Mercar SI, Indiana
SE Missouri 75, Wia-Miheaukee ;
SW Missouri SI, 87, Alcorn SI, 37
SI, Louis B3, Creighton 56
W. Michigan 75, (IL-Chicago 72
Wright SI, 74, Doylon SI
Yournothum SI, 40, Alconn SI 20 (Prock 12),
L.A. Lukers 38 30 29 31—128
Unds 4.4 27 24 32 23 34—113
L.A.: Cebolios 4-16 8-7 27, Throath 13-17 4-10
38; U: Miclione 15-21 2-4 34, Hornsceic 5-9 8-9 20.
Ruboyntás—Los Anceles 40 (Orivac 13), Utch
40 (Molione 10), Assists—Los Anceles 21
(Threath 8), Utch 32 (Stacklon 14),

Alc.-Birminghom 76, UC Sonta Clamson 81, Appelochion 51, 66 Cell of Chorleston 78, Charleston

5: Williams 6-14 6-19 29. Richmond 9-11 5-6 24.
Grant 9-12 5-18 29. Rebounds—Golden State 46
(Rezier 11), Secremento 22 (Grant 12), Assists—Golden State 17 (Jennings, Sprewell 4),
Secremento 23 (Williams, Webb 6).

Jackson St. 25, Tougalao 84, OT
Long Island U. 25, Margan St. 22
Louisville 89, E., Kentucky 75
Md.-E., Shore 107, Long Island U. Jackson St. 85, Taugalee M, OT
Long Island U. 85, Margon St. 82
Louisland Tech 76, Georgis St. 57
Louisville 87, E., Kentucky 75
Md.-E. Shore 101, Lone Island U. 71
Michael Gr. Florido A&M 53
Middle Tenn. 83, Voldosta St. 62
Miss. Valley St. 75, Ark.-Pine Bluff 83
Mississippi St. 76, NE Louisland 54
N.C. Choristie 76, S. Iffinols 76
Okt Deminter St. Warmine 61

SE Louisigna 102, Loyela, NO 74
South Florida 67, Cent. Florida 64
Southern Aliss, Bl. Florida Tech 73
Sietaan 72, Embry-Riddle 69
Tennessee St. 63, N. Carolina Alit 60
Tennessee Tech 96, Bethel, Tenn. 72
Vo. Commonwealth 74, Flz. Int'l 67 OT
Virginia Tech 98, Texas Christian 84
W. Karnicky 113, Relimont 78

W. Kernucky 112 Belmont 79 Wichito St. 71, Mississippi 79 FAR WEST PAIR WEST
Boise St. 74. Propertine S3
C3 Northridge 7x. Son Diego St. 48
Fresno St. 7t, Son Jose St. 45
Gozzogo 73. Cent. Washington S3
Marquette 7x, Son Francisco 72.
Mantiena St. 7x, Socramento St. 40
N, Artsona 9x, Notre Donne, Colit. 49
Nevado 72. Mantena 63

N. Artscha V., Nehre Dome, Co Nevada 73, Menhana & Creson St. 85, Senta Ciaro 75 Parthand 95. E. Washinston 77 Stanford 94. Cal Poh-8LD 92 Toledo 79, Calerado St. 64 UC Irvine 73, Son Diago 70 (Itali 71, Weber St. 54 SOUTHWEST Ark-Little Rock 101, Centenary 69

Morth Texas 77, Tarieton St. 35 Ciklohoma 89, Nicholis St. 80 Oklohoma St. 91, NW Missouri 8 Southern Col 95, Houston 89 Som Houston St. 97, Mary Hordin-Bon Stephen P.Austin 89, Hordins 84 Texas Southern 67, Texas-Pan Americ Texas Tech 107, Prairie View 56 Texas-Artington 91, Grambling 51, 75 utag 19, Oral Roberts 54 TOURNAMENTS

Third Place Valparaise 73, Austin Peay 49 Courar Clastic Championship Brighom Young St, NW Louisia Third Place S. Utch 140, South Alabama 71 Dalla Airlines Classic

Marshall 102, Contatus 92 Cincinnati 110. Tern.-Martin 54 br. Perper Invitation Championship Lo Soite 75, Baylor 64

Same

World Cup Results Results Priday from Laipe Louise, Alberiu: , Picabo Streef, Sun Valley, Idahe, 1 minute, 0.40 seconds; 2. Hilary Lindh, Juneau, Alas

Overest World Cop standings: 7, Heidi Zeller-Bachler, Switzerland, 365 points: 2, Hi-lary Linde, United States, 264; 2, Vreni Schneider, Switzerland, 257; 4, Koffe Set-Schmidter, Switzerland, 25; 4. Konto Sertinger, Germann, 22; 5. Pentille Wibers, Sweden, 188; 6. Picatio Street, United States, 165; 7. Martianse Kloerstad, Norwor, 187; (the), Barbara Martin, 1104; 141; 9. Nathalle Bouvier, France, 135; 10, Martino Erit, Germany, 132.

Bibliono Perez, Holly, 1; 41,57; 5; Fforence Mos-nodo, Fronce, 1; 41,43; 7; Worwara Zetens-tollo, Rossio, 1; 41,73; (file) Krista Schmi-dineer, Lee, Mossi, 1; 41,75; 9; Melanie Turpson, Conodo, 1; 41,84; 16, Stelanie Schus-ter, Autobia 3,75

Results Seturday from Lote Lysise; 1, Hi-lory Lindit, Juneau, Aleske, 1 minute, 37.90 seconds; 2, Florence Meanade, France, 1:40,82 3, Held Zeller-Boetler, Switzerland.

1:40,45; 3, Heidi Zeller-Boetter, Suftgerland, 1:40,40; 4, Bibliand Perrez, Italy, 1:40,55; 5, Nathadie Bouvier, Franca, 1:40,55; 6, War-ware Zelenskofo, Russia, 1:40,76; 7, Perzillia Wilbers, Sweden, 1:40,95; 8, Svetlana Gladish-via, Russia, 1:40,96; 9, Picabo Streef, Sur Vol-ley, Idaha, 1:41,84; 10, Katlia Setzinger, Ger-many, 1:41,23.

many, 1:41.23.

Downhill standings (after three ruces): 1.
Hibary Lincin. United States, 280 points: 2.
Kotja Setzinger, Germany, 146; 2. Picobo
Street, United States, 129: 4. Fiorence Masnada, France, 120; 5. Biblioma Perez, Italy, 113;
4. Heldi Zeller-Bachter, Switzeriand, 165; 7.
Warrwarz Zelenskola, Russia, 122; 4. Perullia
Wiberts, Sweden, 100; 7. Nothalie Bouvier,
France, 96; 10. Stelante Schuster, Austria, 82.

Dated Manuf.

MENTS SUPER G
Results Senday from Tigates, France of the
first Super-G roce of the season: 1. Politick
Critich, Austria. 1 minute, 22.55 seconds; 2.
Tomany Anc. U.S., 172.25; 2. Luc Alphand,
France. 1:22.55; 4. Atte Stoordol, Nerwey,
1:22.70; 5. Lutgi Colturi, Italy, 1:22.81; 6. DenRuntgooldier, Italy, 1:22.84; 8. Werner PeruttRuntgooldier, Italy, 1:22.84; 8. Werner Perutt-



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CALVIN AND HOBBES







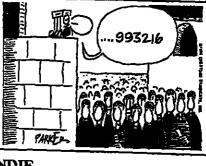




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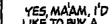


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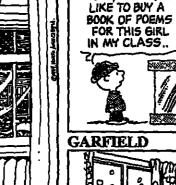
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PEANUTS

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12-12



Packers Trounce the Bears, 40-3, to Keep Their Playoff Hopes Alive

A return to frigid Lambeau Field in Green Bay, a white-hot offense and an ice-cold Steve Walsh were just what the Green Bay Packers needed to salvage their playoff hopes.

The Packers routed the Chicago Bears, 40-3, on Sunday as Brett Favre threw for three touchdowns, two of them to Sterling Sharp, and Green Bay's defense returned to form after a five-game skid.

Chris Jacke added four field goals as the Packers (7-7) won their ninth straight game at Lambeau, where they completed their first undefeated season since 1962 when Vince Lombardi won his second of five NFL titles. The temperature at Lambeau Field was 15 degrees at kickoff, with a wind chill of 6

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degrees.
The stunned Bears lost their 14th straight December road game, a streak that dates to Dec. 7, 1987, when they edged the Raiders, 6-3. The Bears (8-6) also fell from

first place in the NFC Central, a game behind Minnesota. The Bears managed just a 25yard field goal by Kevin Butler for an early 3-0 lead before the

Packers overwhelmed them. The Packers rushed for a season-high 257 yards, including 106 by Edgar Bennett. Favre completed 19 of 31 passes for 250 yards with one intercep-

Vikings 21, Bills 17: Warren Moon never won in Buffalo in 10 years with the Houston Oilers. Maybe he should have brought Cris Carter and Jack Del Rio with him.

Carter caught nine passes for III yards to lead Minnesota and give the Vikings' new quarterback his first victory at Rich Stadium in six tries. Carter is one catch shy of Sterling Sharpe's single-season NFL record of 112.

Del Rio had an interception to kill one Buffalo drive and sacked Jim Kelly to stop another as the Vikings (9-5) scored the last 12 points to solidify their hold on first place in the

With 1:29 left and Minnesota needing only a first down to run out the clock, Phil Hansen shipped the ball from Terry Allen. But Kelly was injured and carted off after the second play, and Thurman Thomas was taken to the sideline on the fourth of a 32-point comeback that knocked Moon and the Oilers out of the playoffs in 1992, could not pull it out this time.

Buffalo (7-7), which has not won consecutive games since September, lost after an emotional victory last week over

Although still in the wildcard race, a Miami victory over Kansas City on Monday night would destroy Buffalo's chances of a sixth AFC East

title in seven years. In his first year with the Vikings, Moon has already begun to rewrite their record books.

He was 21-for-34 for 261 vards against Buffalo to give him 4,078 yards for the year and top Tommy Kramer's team record of 3,912.

Steelers 14, Eagles 3: Not even the inventor of the Steel Curtain defense could devise a way to beat the best Pittsburgh Steeler team since the 1970s.

The Steelers, shut out for three quarters by Philadelphia defensive coordinator Bud Carson's ingenious mix of blitzes

and changing coverages, scored twice in less than two minutes

Three Rivers Stadium for the within a half-game of the AFC the NFL has done for years. Bengals (2-12) for the first time Errict Rhett ran for 119 yards passes, sacked him twice, recoverages, scored twice in less than two minutes

AFC Central title.

They beat the Cincinnati Benin five meetings.

They beat the Cincinnati Benin five meetings.

They beat the Cincinnati Benin five meetings. of the fourth quarter to beat the fading Eagles in Pittsburgh. Andre Hastings scored his first NFL touchdown, and John

NFL ROUNDUP

L. Williams, taking over as the Steelers' feature back with Barry Foster and Barn Morris injured, scored 1:48 apart to prevent an upset that would have revived the Eagles' playoff

The Steelers (11-3) won their sixth in a row and now will play Cleveland (10-4) on Sunday in

Pittsburgh's start is its best since the 1979 Steelers — the

مكذا من الاعل

last of their four Super Bowl champions teams - had the same record. With Randall Cunningham

throwing a critical fourth-quar-

ter interception, the Eagles (7-7) never did find an offense while losing their fifth in a row. Patriots 28, Cots 13: The New England Patriots, a franchise starved for success, continued their playoff drive with their fifth straight win

The Patriots, playing at home, overcame a 10-0 deficit and four interceptions to move

The Patriots (8-6), who have not had a winning season 1988, survived Ray Buchanan's third interception return for a touchdown in five games, covering 90

The Colts (6-8) suffered a serious blow to their playoff hopes because they could not capitalize on the other interceptions, including another by Buchanan, who has six steals in five games since moving from free safety to cornerback.

gals for the first time and kept alive their faint playoff hopes.

The Giants did it the hard way in winning their fourth straight game after losing seven a row. Rodney Hampton scored on a three-vard run with 40 seconds to play as the Giants blew a 10-point fourth-quarter lead, then moved 66 yards in four plays to beat the Bengals.

Hampton also scored on a one-yard run, Dave Brown threw a touchdown pass and Giants 27, Bengals 20: In Brad Daluiso kicked two field East Rutherford, New Jersey, the New York Giants finally snapped a four-game home los-

was too little, too late for the ond quarter, while his 44-yarder Tampa Bay Buccaneers. The occurred after Charles McRae for a victory that virtually as-Bucs, with Craig Erickson blocked what would have been sured the Browns of a wild card throwing touchdown passes of 71 and 44 yards to Charles Wilson, won their third straight game for the first time in 12

Entering play this weekend, the Bucs (5-9) were one of 25 teams with a shot at the NFL playoffs. But the victory was not enough as results from other games eliminated the Bucs from contention.

in five meetings.

Buccaneers 24, Rams 14: It yard reception came in the seca game-tying 48-yard field goal by Tony Zendejas with 1:51 to

> Tampa Bay last won three in row in the strike-shortened 1982 season when the Bucs had their last winning record and qualified for the playoffs. The Rams are at 4-10.

In games played Saturday: Browns 19, Cowboys 14: In Erickson threw for 231 yards, Irving, Texas, Cleveland interdid something everyone else in ing streak. The Giants beat the 176 of them to Wilson, while cepted two Troy Aikman runs of 29, 27 and 22 yards.

watched a last-minute Dallas rally end at the three-inch line berth in the playoffs.

Lions 18, Jets 7: In East Rutherford, New Jersey, De-troit enhanced its playoff chances, and Art Monk set an NFL record of 178 consecutive games with a reception on New York's first play. The Lions clinched the victory with Jason Hanson's fourth field goal, a 23-yarder with 3:02 remaining. Barry Sanders was thrown for a loss nine times, but also had



The Browns' Derrick Alexander couldn't grab the pass, but Larry Brown of the Cowboys was called for interference.

Colorado's Salaam Wins Heisman by Wide Margin

By Ken Denlinger

NEW YORK - The Colorado tailback Rashaan Salaam has a flair for the extraordinary that began when he learned to walk at 6 months. Now he has won college football's most coveted prize, the Heisman Trophy.

The voting for the 60th Heisman was not as close as expected, with Salaam gathering 1,743 points to 901 for another junior running back, Ki-Jana Carter of Penn State.

Senior quarterbacks Steve McNair of Alcorn State (655 points) and Kerry Collins of Penn State (639) were third and

Salaam was only the fourth nunner in the history of major college football to gain more than 2,000 yards in a single season. Each of the others - Barry Sanders of Oklahoma State (1988), Marcus Allen of Southern Cal (1981) and Mike Rozier

of Nebraska (1983) — also won the Heisman. "I think that's what put me

news conference at the Downtown Athletic Club, after the award was announced on Saturday. "This is for the offense. I'm just here representing the of-

His decision about whether to turn pro already has been made, he added, but will not be announced until after Colorado's Jan. 2 Fiesta Bowl game against Notre Dame.

Even though his competition was formidable, the 6-foot-1, 218-pound (1.85-meter, 99-kilogram) Salaam had more first-place votes (400) than all the other candidates combined.

Carter's average of 7.8 yards per carry was higher than Salaam's — and also higher than all but one of the 35 other running backs who have won the Heisman, Rozier had the same

McNair set the all-division record for career total offense (16,823 yards) and for career over the top," Salaam said at a offensive average per game (400.5 yards). His was the highest finish ever for a Division I-AA player. Doug Williams of Grambling was fourth in 1977.

Collins was the national leader in pass efficiency with a 172.86 rating in leading an of-fense that averaged 48 points per game. He seemed the most disappointed.

"After winning the Maxwell, maybe my hopes were a little too high," he said. "But I'm not flashy and I had no phenomenal stats. I can say I'm a Heisman finalist. Not too many people can say that."

Salaam was noticed by running for 4,965 yards and 105 touchdowns in two-and-a-half years of varsity ball. He was ready to quit Colorado during his freshman year, until Coach Bill McCartney and others put him straight.

UMass Hangs On to Beat Maryland

Nine months after they took drubbing at the hands of Maryland, the Massachusetts Minutemen wilted again in the second half against the Terrapins. This time, though, the Minutemen survived.

Mike Williams scored 12 of his 18 points after halftime Saturday in Baltimore as UMass. fifth in the Associated Press college basketball rankings, beat the 11th-ranked Terrapins, 85-74. The Minutemen overcame a 30-point effort by Joe Smith and gained a measure of revenge for a bitter loss in last season's NCAA tournament.

In March, the Minutemen blew a 10-point second-half lead in a 95-87 setback that put Maryland in the final 16. The Minutemen lost a nine-point lead Saturday but railied back to win, closing with a 15-3 run.

Marcus Camby scored 15 points for UMass, playing its third game against a Top 25 team. Lou Roe, saddled by foul trouble throughout, was beld to six points — his fewest in 39

Smith made 10 of 18 shots half.

and Johnny Rhodes had 16 points for the Terrapins.

UMass had a 61-54 lead before Maryland's Exree Hipp got three straight points and Mario Lucas scored in the lane to get the Terrapins within 61-59.

Dana Dingle followed with a layup and a three-point play to put the Minutemen up by seven. After a Maryland miss, Din-

COLLEGE HIGHLIGHTS

gle scored on a breakaway to make it 68-59 with 7:44 left.

Smith then scored eight points in a 12-2 run that gave the Terrapins their first lead since 7-4. But Maryland got only three points in the last four

No. 2 UCLA 99. Cal St.-Fullerton 65: Sophomore Charles O'Bannon equaled his career high with 23 points and grabbed 10 rebounds in UCLA's victory in Los Angeles. The Bruins led 42-36 at halftime and 44-40 early in the second half before using their superior talent to blow the game open. The Bruins outscored the Titans, 57-29, in the second

St. 69: Forced to shoot from the they never relinquished. outside, Clint McDaniel and

Corey Beck made 6 of 8 3-Dwight Stewart hit a trio of 3pointers in the second half in Fayetteville, Arkansas. McDaniel scored 17 points and Beck 11 as the Razorbacks built a 21-point first-half lead. The Racers trailed 68-55 with 10:45 to play, but were outscored 15-2

during the next four minutes. No. 4 Kansas 96, N. Carolina St. 91: In Raleigh, North Carolina, Sean Pearson hit five 3pointers and led Kansas to a record-setting long-range shooting night as the Jayhawks remained unbeaten. Pearson finished with 16 points as Kansas broke the school record for 3-pointers in a game, hitting 15.

No. 9 Duke 69, No. 23 Michigan 59: DURHAM, N.C. (AP) - Duke endured a 24-0 Michigan run in the first half to earn its 92d consecutive victory over a nonconference opponent at home and sixth straight over Michigan.

Michigan led, 51-46, with 12:41 to play on a breakaway dunk by Maceo Baston. The Blue Devils then ran off 15

No. 3 Arkansas 94, Murray straight points to take a lead

No. 13 Cincinnati 110, Tennessee-Martin 56: Stunned by upset by Canisius, Cincinnati took out its frustrations on an overmatched Tennessee-Martin by scoring 64 points in the opening half, then coasting to the consolation title in the Delta Air Lines Classic in Cincinnati. It was the first time that Cincinnati failed to win its own 5-year-old tournament.

E. Michigan 92, No. 14 Wis-consin 76: In Ypsilanti, Michi-gan, Brian Tolbert scored 26 points and Eastern Michigan grabbed a 37-point lead en route to an upset. Kareem Carpenter added 21 points and pulled down 18 rebounds as the Eagles successfully exploited the absence of center Rashard Griffith, who missed the game with an ankle mjury.

Nebraska 96, No. 15 Michigan St. 91: Nebraska, playing at home, scored the first seven points of overtime and made five of six free throws in the final 27 seconds, Nebraska's Tom Wald sent the game into overtime when he hit three free throws after he was fouled on a 3-point attempt with 0.5 seconds left.

No. 18 Georgetown 83, Mem-pkis 80: George Butler's 3pointer at the buzzer sent the game into overtime in Toronto. where No. 18 Georgetown finally prevailed.

By Mark Maske

RYE BROOK, New York - The Major

League Baseball Players Association pre-

sented its new labor proposal to the team

owners, as the two sides resumed negotia-

to reach a settlement before the owners put

The owners offered no immediate judg-

ment on the union's proposal on Saturday,

at least not publicly. Donald Fehr, chief of

the players' union, said he expected to

receive the owners' official response Sun-

day or Monday. But it was clear that the

owners believed the union's proposed pay-

roll tax -- which would be approximately 5

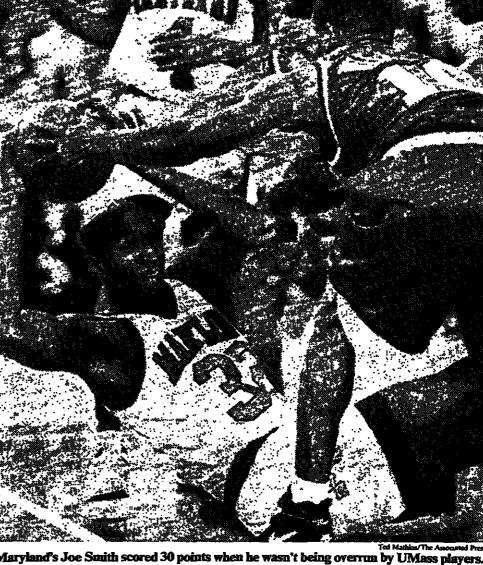
percent initially -- does not adequately

address their goal of curbing player sala-

a salary-cap system in place.

tions in what probably is a last-gasp effort

ton Post Service



Maryland's Joe Smith scored 30 points when he wasn't being overrun by UMass players.

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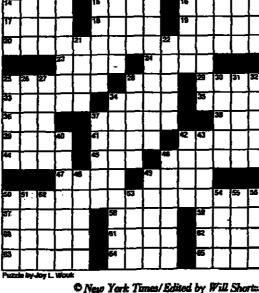
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AUTOPSY TEACHER

New York Times/Edited by Will Shorts.

Solution to Puzzle of Dec. 9

ries. Said one owner: "It's not enough." John Harrington, the Boston Red Sox general partner and chairman of the owners' negotiating committee, said the owners were "encouraged" by "concerns about our mutual self-interest." But he reiterated that the owners would evaluate the proposal on whether it addresses "cost certainty," and said that "deadlines are upon us."

But a management source said the owners were working on a counterproposal. If William J. Usery, the special mediator, can't get the two sides to reach an agreement here, this could be the final break-

down in talks. The owners are scheduled to meet Thursday in Chicago, and if there's no settlement, they plan to declare an impasse in negotiations and unilaterally impose a salary cap. That likely would lead to the players extending their strike of

Baseball Owners Cool to Players' Plan

nearly four months into the 1995 season. The proposal, as expected, was an attempt to create a "partnership" with the owners, something the owners have talked about doing often during this dispute.

The purpose of this proposal is not only to attempt to break this logiam in a way everyone can live with," Fehr said, "but also to do so in a way that will force the two sides to do something they haven't done - work together day by day."

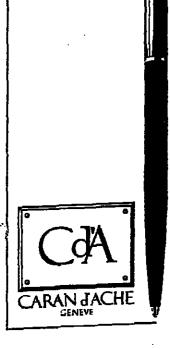
The union released details of its proposal after it was given to the owners. That drew an admonishment from Usery, who also continued to arge the owners publicly not to implement a salary cap. cw-1 The players' proposal calls for a

three-year plan of increased revenue-sharing among the 28 teams. The proposal would generate approximately \$58 million in subsidies per year for small-market clubs. Of that, about \$23 million would result from a change in the portion of gate receipts; visiting clubs would receive 25 percent of the receipts from each game. Currently, visiting teams receive about 20 percent in the American League and roughly 5 percent in the National.

The rest, about \$35 million, would come from a tax on teams' player payrolls. Using last season as a model, the tax would be about 5 percent initially. Under the owners' taxation proposal three weeks ago, the tax rate would have topped out at 77 percent for the club with the highest payroll last season. The tax system is the area in which the owners probably will call the union's proposal unresponsive to their concerns. But Fehr said the union's proposal would create a "drag" on player salaries, since the teams with the highest payrolls would be paying the most in taxes - and thus would have less money available to pay players.

Union officials said the players' proposal could create \$100 million in salary savings for the owners for the duration of the agreement. The players' proposal also would create a separate "industry growth fund" of at least \$60 million. The players and owners would contribute at least \$30 million each, with the players' portion probably coming from their licensing fund, and the owners portion from expansion fees.

The growth fund would be administered by a joint players-owners committee and would be used for marketing, community service and international development projects, including the improvement and replacement of ballparks, an idea that originated with the Baltimore Orioles' renegade majority owner, Peter Angelos.



LANGUAGE

Getting to the Core of Cyberlingo

By William Safire

WASHINGTON — Winston Churchill is turning over in his grave. Peering into the mists of the future, the keepers of all the books and papers of the past and present at the Library of Congress came up with a dreary name for its plans to reproduce a core of its holdings as on-line digital bits: the National Information Infrastructure.

When Sir Winston in 1950 heard an opposition politician use infrastructure, the lover of forthright English prose rose in the House of Commons to heap ridicule on the uppity member: "It may well be that these words 'infra' and 'supra' have been introduced into our current political parlance by the band of intellectual highbrows who are naturally anxious to impress British labor with the fact that they learned Latin at Winches-

Vampire-like, infrastructure has returned in the dead of night to suck the blood out of the colorful language of the infor-mation age. A Washington Post editorialist had a livelier idea, infradigging up the scene of the linguistic crime as "The 'Cyber-brary' of Congress." Let's interface it; cyber- is the hot combining form of our time.

When a Los Angeles think tank started the experimental Democracy Network to let politicians interact on line, the move was headlined as "Campaigning in Cyberspace": that word was coined by William Gibson in "Neuromancer," his 1984 sci-fi novel. Bill Howard, executive editor of PC Magazine, modems me that "originally cyberspace was the future network created when people melded their brains with computers. It then came to mean the romanticized nonplace where hackers met to carry on electronic conversations. Cyberspace in the past year or two has the core of our philosophy . . . come to be more broadly equat- there will be no compromise.

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information highway, info-bahn, autostrada, etc.)." Gibson's novel was the forerunner of what has come to be called cyberpunk fiction.

In what it hailed as "the first interactive election event of its kind." U. S. News & World Report labeled its election night on-line forum a cybercast. Sean Piccoli wrote in The Washington Times that "battlefield valor belongs not to the brawny soldier but to the astrophysics major who invented smart bombs," somebody who's

called a cyberwonk. Newsweek, which calls its page covering the virtual virtues Cyberscope, informs us that steamy computer bulletinboard exchanges" form what is called cybersex. Naturally, the climax induced by computer-transmitted stimuli is a cybergasm, as safe as sex gets.

A New York advertising ency, Biederman, Kelly & Shaffer, issued a glossary of "the new cyberlingo" titled "Cybertalk"; its definition of cyberthe combining form, is "just a slang hand-me-down from Cy-

Which brings us to Norbert Wiener, the early automation ge-nius, who settled on kybernan, the Greek word for "to steer." hence "govern," and declared in 1948: "We have decided to call the entire field of control and communication theory, whether in the machine or in the animal, by the name Cybernetics." That's how to coin a word authoritatively. Wiener was apparently unaware of the 1834 use of cybernetique by the French physicist A. M. Ampère to mean 'the art of governing.")

"On those things that are at the core of our contract," said incipient Speaker Newt Ging-

rich, "on those things that are at

Core is in. To get right to the heart of the matter, as we used to say, such terms as center, hub, nucleus, crux and even quintessence have been rendered hope-

lessly old-fashioned. Those who remember core mainly for "rotten to the core" had better get down to the kernel of the nut: the vogue word's power is shown by its use not merely as a noun but also as a modifier.

Newtonians speak of core be-liefs; virtuous William Bennett holds forth on core values; liberal alliterators worry about core concerns in the core city (inner is out). Thus has core established itself as the year's hottest attributive noun.

When did we start using core as a modifier? In the 19th century, core bar and core box were used in metal-casting. In 1926, a guide to Stone Age implements in the British Museum observed "the change from a core-industry to a flake-industry." (Flakeindustries today range from head shops to political com-

mentary.)
To get to the nub, I turned to the Barnhart Dictionary of Etymology. The noun is suggested there to be derived from the French coeur, literally "heart," from the Latin cor for the same word, which does not lead to a coronary (from the Latin corona, "crown"). The etymologists report that the first use of core to mean "the part of a nuclear reactor containing fissionable material" was recorded in 1949. and note that the verb form -"to take out the core of fruit" -dates to the mid-15th century.

But this excellent reference work about linguistic roots has no coverage of the attributive noun that today's deep thinkers have taken to their innermost lexicon. For that, you have to go to the cover of the dictionary, which advertises itself as covering "the core vocabulary of Standard English."

New York Times Service

A French Importer Of 'Frontier Culture'

By Ginger Danto DAMMARIE-EN-PUISAYE, France — "It's not Texas," says Serge Lecacheur, standing boot-deep in the swampy turf of la Puisaye, a

region of southeast France encompassing picturesque parts of Burgundy, but otherwise notorious for inclement weather. "But it might as well be," he adds quickly - ever the optimist - a key ingredient, along with capital, for the vicissimdes of the horse trade

For Lecacheur, whose fluent English is spiced with a Texan twang,

Tastemakers An occasional series about people for whom

operates a 120-hectare (300-acre) spread on the outskirts of Dammarieen-Puisaye, where he raises all-American quarter horses.

style is a way of life

Comments like "sound" and "steady" — high praise from a horse-man — pepper his assessment of the latest crop of colts and fillies. All are registered with the Amarillo, Texasbased American Quarter Horse Association, an organization founded in 1940 to protect and promote the breed, currently numbering 3.2 million animals worldwide. As the first large-scale importer and breeder of quarter horses in France, Lecacheur has possibly done enough business in Amarillo to justify his accent.

A 56-year-old former advertising executive, Lecacheur saw in the overirrigated and rugged pasture land of La Puisaye a terrain suited to a breed so linked with the American frontier

and the cowboys who claimed it. "This place is truly a marriage of France and America," Lecacheur said. "The typical French provincial farmhouse together with the quarter horse.'

The first breed developed in the United States, the quarter horse originated in the Carolinas and Virginia, where it got its name for excelling at

quarter-mile races staged by tobacco farmers in town streets and plantations. A capacity for swift starts, stamina, calm and agility when it came to sliding stops appealed to cowboys, who adopted the compact-muscled species for cattle work. Thereafter, the quarter horse became an integral part of frontier history.

Horses have been part of Lecacheur's life as far back as he can remember, from about age 5, when his family left France for Morocco to wait out the war. His early memories are of fragrant orange groves, and of the handsome "Barbes" horses that roamed his adopted home. He went to work at 17 on a U.S. Army base outside Casablanca, and subsequently found his profession in advertising,

With his earnings he indulged his hobby of big-game hunting, and turned a profit as one of Africa's last white hunters, leading expeditions on the continent for 15 years.

rican villages, with news and how-to information "like digging a well."

"I went looking for the horse of my youth — the Barbe," he said of visit-ing the Salon du Cheval, a horse fair

Barbe turned out to be an American

quarter horse," he said, recalling that

Enamored of the myth of the American West, the French are conspicuous consumers of frontier culture, from film to fashion. "Why not import the very symbol of that life, which is alive and well today?" Lecacheur asked himself in the late '70s, before delving overnight into a project for which he had far less experience than insight. But there was, within his mind's mix of challenge and calculation, a deeper reason. Sentiment. If any animal inspires such emotion in man, it is the

notably commercial radio broadcasts.

He created a radio program for Af-

But childhood memories exerted a profound influence, and Lecacheur longed once again for the company of

held annually in Patis. "The horse most resembling the

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Serge Lecacheur with his Palomino stallion "Make No Mistake."

it was love at first sight. The owner was Michel Blanc-Dumont, a devotee of cowboy culture who in 1981 founded the now 400-member French Quarter Horse Association. Lecacheur (who served a term as president) was seventh to sign up. At the time, there were 13 registered quarter horses in France.

Emotion notwithstanding, the en-trepreneurial Lecacheur invariably saw an opportunity to exploit the quarter horse's association with the American West and the traditional French liking for horses, from farm to military front, racetrack to Olympic

Inspired by the kind of projections that had nurtured his prior ventures, Lecacheur set off to comb the United States. He sought specimens that would represent and ultimately reproduce the quarter horse abroad. From Texas to Oklahoma, California to Nebraska, he visited private breeders and commercial stables, stud farms and backyard sellers.

His reputation preceded him. "I became known as the \$100,000 man, Lecacheur said, referring to what he paid for a stallion. Briefly Europe's leading quarter horse breeder, Leca-cheur had 80 horses and 25 brood mares roaming his oasis in the heart of La Puisaye.

His success spawned several quarter horse farms around France, which ranks sixth worldwide in the number of registered quarter horses (1,200). after the United States, Canada, Germany, Italy and Mexico. Terms like le roping and le cutting have entered the French horseman's vernacular, and names like "Silver Dude Frosty" and "Smoky Bandit" adom French breeding books.

Ginger Danto is a free-lance journalist based in Paris who specializes in the

WEATHER Forecast for Tuesday through Thursday, as provided by Accu-Weather.



Washington, D.C., through Boston will be chilly; dry weather is favored, yet some rain and snow cannot be ruled out. Ontario and the Great Lakes states with have flurries; maybe snow by Thursday, Texas will have a flow showers as will Sen

EUROpe
Strong winds will herald modest cooling and a day or two
of showers Tuesday from
U.K. to Germany, Beiglum
and Netterlands. Showery
weather will reach the Alps
sarly Wedneaday; spotly
rains and gusty winds are
possible in Italy midweek.

ASIZI
Near-normal cold will settle
from north China to Korea;
Beijing and Seoul will be dry.
Chilly Shanghai may have a
little rain; a lew showers may
dampen Talpei, Hong Kong
and Guangzhou. In Japan,
ahowers may wet Tokyo
Tuesday: cold min and wet

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2:88 24/75 pt 30-86 23/75 t

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84/64 2/29 pc 64/3 24/75 s

28/62 23/73 c 25/62 24/75 sh

28/73 16/76 c 21/70 17/62 r

8/46 8/43 sh 11/52 3/67 pc Africa

In Sea of CDs, Vinyl Records Staging a Small Comeback

POSTCARD

By Neil Strauss

New York Times Service NEW YORK — Vinyl is back. For the first time in 13 years, sales of oldfashioned vinyl LP recordings are on the rise. Sales In the United States have increased by 80 percent for the first half of this year compared with the same period last year, according to the Recording Industry Association of America.

Stores like Tower Records are stocking vinyl again, record companies like Mobile Fidelity Sound Lab and Blue Note are making it again, and musicians are championing it as a better-looking and sounding medium.

Johnny Cash and Sonic Youth were all released on vinyl at least a week before the CD version was available. In hip-hop, the group Arrested Development has started its own advocacy organization called Power to the Vinyl

The same shift in sensibility is registering among classical music lovers, particularly opera fanatics. Like their pop counterparts, many maintain that the voice comes

through more truly on warm-sounding vinyl than on cleaner, colder CDs. Many also believe that cover art looks better on 12inch albums than it does on 5-inch CDs and that jacket information is more legible and complete. Still, for the moment no major classical labels are releasing vinyl commercially, and the phenomenon remains far

more striking in the world of pop. Pearl Jam's new album, "Vitalogy," went to No. 55 on Billboard's pop charts, with sales of more than 35,000 copies. This feat would be unremarkable except for one fact: The album was available only on vinyl. Two weeks after the LP version was made available, it was re cassette. According to Billboard, "Vitalogy" is the first album to appear on its top 200 pop album chart because of vinyl sales

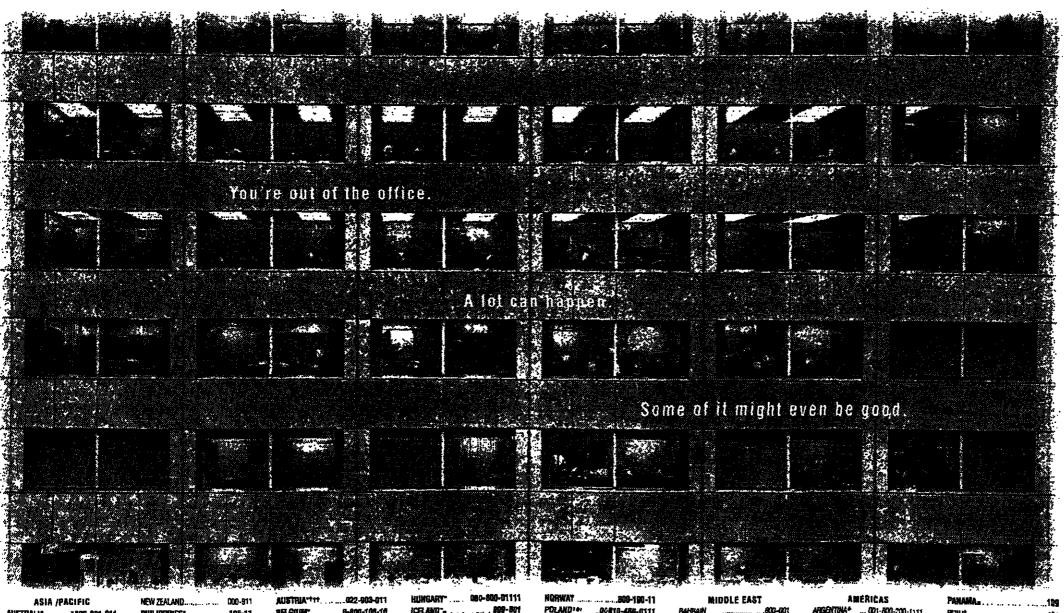
since the proliferation of the CD. But don't sell your CD player yet. Vinyl has returned not necessarily as a rival to the CD, but as a fetish object or relic. Most vinyl versions of rock records, including Pearl Jam's, are released only in limited editions of fewer than 100,000, and CD

sales are hardly on the decline. LPs currently account for only two-tenths of one percent of all recordings sold.
"I think the return of vinyl is a nostalgic

thing," said Jay Berman, the chairman of the Recording Industry Association of America. "It's interesting that it's happening at a time when the technological world is swirling around us with multimedia and interactive CDs. In the midst of all this. vinyl is re-emerging as a blip on the screen and maybe as a reaction to technology."

Ray Farrell of Geffen Records, which puts out most of its high-profile alterna-tive-rock releases on LP in advance of the CD, agreed. "We don't make a whole lot of money off of vinyl," he said. "We're doing it because it's fun, fans like it, and it's a good marketing tool for a band. Record stores often display vinyl more prominently than a CD."

Vinyl is still particularly important for the punk rock community," said Brian Long of Caroline Records, an independent New York-based record label, "and it is at the heart of club culture and dance music."



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a thing." After all, that's reason enough to worry.

check in with those who said, "Don't worry about

